

## Auditing Procedures Report

Issued under P.A. 2 of 1988, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input checked="" type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name City of Wayne	County Wayne
Fiscal Year End 06/30/07	Opinion Date 10/26/07	Date Audit Report Submitted to State 11/21/07	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

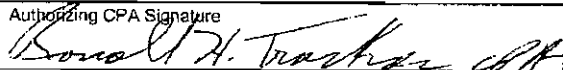
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES ☒ NO ☐ Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Post, Smythe, Lutz & Ziel of Wayne, LLP		Telephone Number 734-722-9190	
Street Address 4621 S. Wayne Road		City Wayne	State MI
		Zip 48184	
Authorizing CPA Signature 		Printed Name Ronald H. Traskos, C.P.A.	License Number 1101006610

---

# **Comprehensive Annual Financial Report City of Wayne, Michigan**

For the Fiscal Year Ended  
June 30, 2007

---

## **CITY COUNCIL**

ABDUL "AL" HAIDOUS, *MAYOR*  
PAMELA S. DOBROWOLSKI, *MAYOR PRO TEM*  
DONNA M. MC EACHERN, *COUNCILWOMAN*  
THOMAS H. KELLY, *COUNCILMAN*  
BEVERLY M. SHACKELFORD, *COUNCILWOMAN*  
ALBERT M. DAMITIO, *COUNCILMAN*  
SUSAN M. ROWE, *COUNCILWOMAN*

JOHN J. ZECH, *City Manager*

---

## **DEPARTMENT OF FINANCE**

TIMOTHY D. McCURLEY, CPA  
*Finance Director - Treasurer*  
  
CAROLYNN S. PARNELL  
*Assistant Finance Director*  
  
BEVERLY A. SIMONS  
*Senior Accountant*

---

CITY OF WAYNE, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

---

**INTRODUCTORY SECTION**

Table of Contents. ....	1-4
Letter of Transmittal. ....	5-9
GFOA Certificate. ....	11
Organizational Chart. ....	12
Principal Officials. ....	13

**FINANCIAL SECTION**

Independent Auditor's Report. ....	15-16
Management's Discussion and Analysis. ....	17-25
Basic Financial Statements:	
Government Wide Financial Statements for the Year Ended June 30, 2007:	
Statement of Net Assets. ....	27
Statement of Activities. ....	28-29
Fund Financial Statements for the Year Ended June 30, 2007:	
Balance Sheet - Governmental Funds. ....	31
Reconciliation of Total Governmental Fund Balance to Net	
Assets of Governmental Activities. ....	32
Statement of Revenues, Expenditures, and Changes in Fund	
Balances - Governmental Funds. ....	33
Reconciliation of the Statement of Revenues, Expenditures, and	
Changes in Fund Balances of Governmental Funds to the	
Statement of Activities. ....	34
Statement of Net Assets - Proprietary Funds. ....	35
Statement of Revenue, Expenses, and Changes in	
Net Assets - Proprietary Funds. ....	36
Statement of Cash Flows - Proprietary Funds. ....	37
Statement of Fiduciary Net Assets - Fiduciary Funds. ....	38
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds. ....	39
Statement of Net Assets - Component Units. ....	41
Statement of Activities - Component Units. ....	42-43
Notes to the Financial Statements. ....	45-80

CITY OF WAYNE, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

---

**FINANCIAL SECTION - *continued***

Required Supplementary Information:

Defined Benefit Trust Trend Information. . . . .	81
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund. . . . .	82
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Motor Vehicle Highway Fund - Major Street and Trunkline Fund and Local Street Fund . . . . .	83
Footnotes to Required Supplementary Information. . . . .	84-85

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet - Nonmajor Governmental Funds. . . . .	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds. . . . .	89
Combining Balance Sheet - Nonmajor Governmental Funds - Special Revenue Funds. . . . .	90-91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - Special Revenue Funds. . . . .	92-93
Combining Balance Sheet - Nonmajor Governmental Funds - General Debt Service Funds. . . . .	94-95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds - General Debt Service Funds. . . . .	96-97
Combining Balance Sheet - Nonmajor Governmental Funds - Capital Projects Funds. . . . .	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Capital Projects Funds. . . . .	99
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Road Program Fund. . . . .	100
Refuse Collection and Disposal Fund. . . . .	101
Metro Act Fund. . . . .	102
Special Assessment Fund - Public Improvement Fund. . . . .	103
911 Service Fund. . . . .	104
Vehicle Forfeiture Fund. . . . .	105
Drug Law Enforcement Fund. . . . .	106
Federal Grant Fund. . . . .	107
Library Operations Fund. . . . .	108
Community Development Block Grant Fund. . . . .	109-110

CITY OF WAYNE, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

---

**FINANCIAL SECTION - *continued***

Combining and Individual Fund Statements and Schedules - *continued*

Combining Schedule of Fiduciary Net Assets - Agency Funds.....	111
Combining Schedule of Changes in Assets and Liabilities - Agency Funds .....	112-113

Other Supporting Schedules and Financial Information:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. ....	115-116
Schedule of Investments - Pooled Investment Fund.....	117
Schedule of Investments - Pension Trust Fund.....	118-122
Schedules of Indebtedness.....	123-137
Schedules of Indebtedness - Water Supply and Sewage Disposal System .....	139-143
Combining Schedule of Net Assets - Internal Service Funds.....	144-145
Combining Schedule of Revenues, Expenses and Changes in Net Assets - Internal Service Funds.....	146-147
Combining Schedule of Cash Flows - Internal Service Funds.....	148-151
Major Component Unit - Downtown Development Authority:	
Balance Sheet Reconciling to the Statement of Net Assets.....	152
Schedule of Revenues, Expenditures and Changes in Fund Balances Reconciling to the Statement of Activities.....	153
Nonmajor Component Units:	
Combining Schedule of Net Assets .....	154
Combining Schedule of Revenue, Expenses, and Changes in Net Assets .....	155

CITY OF WAYNE, MICHIGAN  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

**STATISTICAL SECTION**

**Table**

1	Net Assets by Component - Last Five Fiscal Years. ....	159
2	Changes in Net Assets - Last Five Fiscal Years. ....	160
3	Program Revenues by Function / Program Last Five Fiscal Years. ....	161
4	Fund Balances, Governmental Funds - Last Ten Fiscal Years. ....	162-163
5	Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years. ....	164-165
6	Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years. ....	166-167
7	Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years. ....	168-169
8	Principal Property Taxpayers. ....	170
9	Property Tax Levies and Collections - Last Ten Fiscal Years. ....	171
10	Ratio of Outstanding Debt by Type - Last Ten Fiscal Years. ....	172
11	Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years. ....	173
12	Direct and Overlapping Governmental Activities Debt. ....	175
13	Legal Debt Margin Information - Last Ten Fiscal Years. ....	176-177
14	Revenue Bond Coverage - Last Ten Fiscal Year. ....	178
15	Demographic and Economic Statistics - Last Ten Fiscal Years. ....	179
16	Principal Employers - Current Year and Nine Years Ago. ....	180
17	Full-time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years. ....	181
18	Operating Indicators by Function/Program - Last Ten Fiscal Years. ....	182
19	Capital Asset Statistics by Function/Department - Last Ten Fiscal Years. ....	183



*City of*  
**WAYNE**

---

**FINANCE DEPARTMENT**

November 15, 2007

Mayor Haidous  
Mayor Pro tem Dobrowolski  
Members of the City Council  
City of Wayne  
Wayne, Michigan

We are pleased to submit the City of Wayne Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This report was prepared by the City Finance Department. Responsibility for both the accuracy of the prepared data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds, and component units of the City. All necessary disclosures are included in the document to enable the reader to gain an understanding of the City's financial activities.

Governmental Accounting Standards Board (GASB) Statement No. 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Wayne's MD&A can be found immediately following the report of the independent auditors.

## **REPORTING ENTITY AND SERVICES**

This report includes all the funds of the City of Wayne as legally defined, as well as all of its component units. Component units are legally separate entities for which the City is financially accountable. The City has blended with its financial statements those of the City of Wayne Building Authority component unit. The City of Wayne Downtown Development Authority, the Parks and Recreation Foundation, and the City of Wayne Housing Commission are included as discretely presented component units.

---

The City participates in the following joint ventures with other communities: the Nankin Transit Commission and the Central Wayne County Sanitation Authority. Note 4.D. in the Notes to the Financial Statements provides summary information for these joint ventures.

The City provides a full range of municipal services including public safety (police, fire and rescue), sanitation, public works, the construction and maintenance of highways and streets, parks and recreation, planning, zoning, development, library, water, sewers, building, engineering, cemetery, and general administrative services.

## **GOVERNMENTAL STRUCTURE**

The City was incorporated in 1958 and operates under the Council-Manager form of government. Six Council members and a Mayor are elected at-large. Three Council members and the Mayor are elected biannually at each regular City election. The City Council appoints a City Manager, a City Attorney, and an Independent Auditor.

## **MAJOR INITIATIVES ACCOMPLISHED 2006-2007**

The Michigan Department of Transportation informed the City that the Newburgh Road Bridge had been selected to be replaced under the Local Bridge Program during fiscal years 2005-2006 and 2006-2007. The federal and state share was 95% of eligible construction costs. Costs for preliminary engineering, design and construction engineering and the remaining 5% of construction costs were the City of Wayne's local share. The bridge was completed during the 2006 construction season and is open to the public.

The City contracted with DTE to install new decorative street lights on Elizabeth Street between the two Michigan Avenues and on Michigan Avenue West from Elizabeth Street to Pershing Street. This project is in the City of Wayne's Downtown Development District and is part of the plan approved by City Council.

The City has completed the second phase of bonding for water & sewer projects. These projects were started in fiscal year 2006-2007 and will be done over a three-year period.

On May 8, 2007 the residents of the City of Wayne voted to levy one mill for twenty five years for the upkeep of the roads, streets, and sidewalks within the City.

## **MAJOR INITIATIVES PLANNED 2007-2008**

With the completion of the second phase of bonding for water & sewer projects, the City is continuing its repair and replacement of water and sewer lines throughout the City. These projects will continue through the next two fiscal years.



With the passage of the road and sidewalk millage, the City of Wayne has begun the process of repairing and replacing the City's deficient streets, roads, and sidewalks.

The City has placed in the 2007-2008 Budget the replacement of an aerial fire truck. The new fire truck is a 134 foot ladder truck, that as of this date, has been ordered and will be delivered within the next 15 months.

## **LONG-TERM FINANCIAL PLANNING**

During the month of January of each fiscal year, the Department Heads prepare a Goals Report for the City Manager. In these reports, each Department Head summarizes their current year achievements and recommends projects the City Council should consider in the coming years. The City Manager and the Department Heads then meet with Council to discuss these goals.

The Wayne City Council, in addition to holding these annual goals meetings, has adopted two financial policies to guide the process for long-term financial decisions. A Capital Improvement Policy which sets capitalization thresholds and parameters for capital asset purchases and an Investment Policy that provides guidelines for investment of the City's liquid assets.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

The Administration is responsible for establishing, implementing, and maintaining internal controls that are designed to insure that City assets are protected from loss, theft, or misuse, and to insure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

## **BUDGETARY CONTROL**

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the function/activity level. However, for internal accounting purposes, budgetary control is maintained by line item account. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **COMPONENT UNITS**

The City of Wayne Building Authority's Governing Board is appointed by the City Council. However, the legal liability for the Authority's debt, remains with the City. Included in the financial statements are the City's discretely presented component units. The discretely presented component units are: the Downtown Development Authority (DDA), the Parks and Recreation Foundation, the Housing Commission and the Economic Development Corporation. The DDA captures tax revenues that are used to fund improvements to the downtown area. The purpose of the Parks and Recreation Foundation is to promote and initiate programs to enhance recreational opportunities in the City and to promote recreational projects within the City. The Housing Commission operates within the geographic boundaries of the City and for the benefit of the City's residents. The Commission is presented as a business-type activity, which has a December 31 year end. The Economic Development Corporation was inactive; therefore, no financial information is presented.

## **CASH MANAGEMENT**

The City's investment policy is designed to safeguard capital and obtain a market rate of return. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, U.S. Government Agencies, commercial paper, and municipal pooled trusts, as permitted by state law and the City investment policy. All deposits were made in Michigan banks and financial institutions of high standards and quality.

## **RISK MANAGEMENT**

The City maintains a Risk Management Internal Service Fund to administer property, casualty, and workers' compensation programs. The City participates in the Michigan Municipal Risk Management Authority for property and liability insurance. The City is an approved self-insurer by the State of Michigan Department of Labor for workers' compensation benefits.

## **PENSION BENEFITS**

The City has a Pension Trust Fund to finance the Employees' Retirement System. An actuarial study determines the annual funding required by the City to meet its future benefits obligations with the objective of a level percentage of payroll contribution. The latest actuary report has certified that the Retirement System is funded at 80.8% and is in good financial condition.

## **INDEPENDENT AUDIT**

State statute and the City charter require an annual audit of the financial records and transactions

of the City by independent certified accountants. The accounting firm of Post, Smythe, Lutz & Ziel, LLP, was selected to perform the annual audit for the fiscal year ended June 30, 2007. The independent auditor's report is presented in the first component of the financial section of this report.

## **AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wayne for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. This was the eighteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

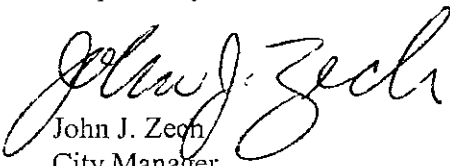
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, therefore we are submitting it to the GFOA to determine its eligibility for another Certificate.

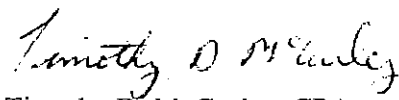
## **ACKNOWLEDGEMENTS**

The timely preparation of this report was made possible by the efficient and dedicated service of the entire Finance Department staff and our independent auditors, Post, Smythe, Lutz & Ziel LLP. Each of them has our sincere appreciation.

In closing, without the leadership and support of the Mayor and City Council, who have consistently supported the City's goal of excellence in all respects of financial management, preparation of this report would not have been possible.

Respectfully submitted,

  
John J. Zeon  
City Manager

  
Timothy D. McCurley, CPA  
Finance Director/Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wayne  
Michigan

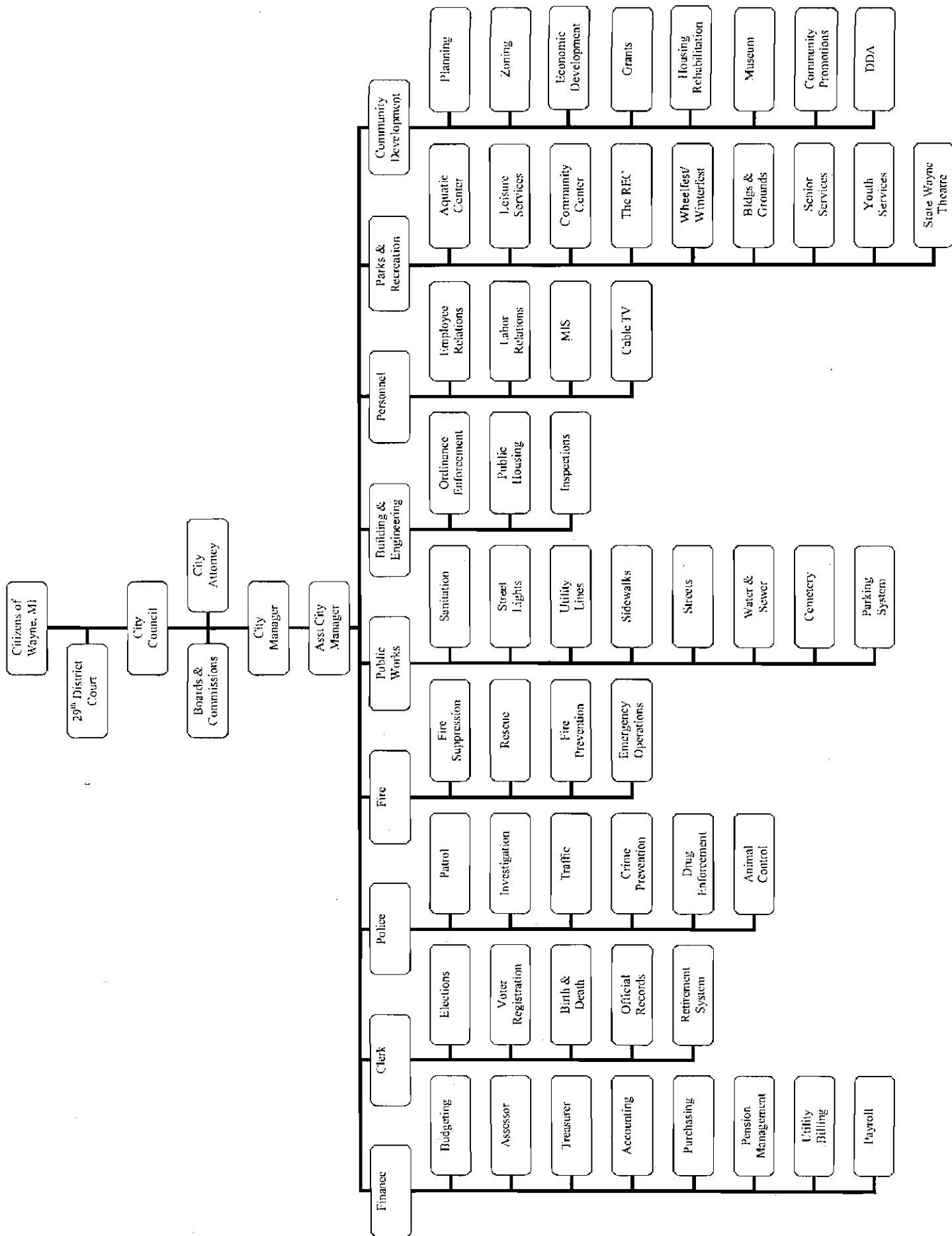
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



---

## City of Wayne, Michigan List of Principal Officials

June 30, 2007

TITLE	NAME
City Manager	John J. Zech
Assistant City Manager/ Personnel Director	Robert C. English
Chief of Police	John Williams
City Attorney	Richard S. Clark
City Clerk	Mary E. Carney
City Engineer	Ramzi J. El-Gharib
City Treasurer/Finance Director	Timothy D. McCurley
Community Development Director	Peter J. McInerney
Director of Parks & Recreation	Kimberly J. Alexander
Acting DPW Superintendent	Robert C. English
Fire Chief	Timothy W. Reynolds



**POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP**

*Certified Public Accountants*

Ronald H. Traskos, C.P.A.  
Kathy Billings, C.P.A., C.V.A.

4621 S. WAYNE ROAD  
WAYNE, MICHIGAN 48184

TELEPHONE (734)722-9190  
FAX (734)722-2410

Sharon Walz Duckworth, C.P.A.  
Cari Ford, C.P.A.  
Wendy Leung Lee, C.P.A., C.V.A.

**INDEPENDENT AUDITOR'S REPORT**

October 26, 2007

To the City Council  
City of Wayne, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Wayne, Michigan, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City's nonmajor governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of City of Wayne, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wayne Housing Commission component unit, which statements reflect total assets of \$888,229 as of December 31, 2006, and total revenues of \$298,079 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Wayne Housing Commission nonmajor component unit, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wayne, Michigan, as of June 30, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements

referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, and internal service fund of the City of Wayne, Michigan, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the ten nonmajor special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 2007, on our consideration of the City of Wayne, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 17 through 25 and 81 through 85, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wayne, Michigan's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



**POST, SMYTHE, LUTZ & ZIEL OF WAYNE LLP**  
Certified Public Accountants



CITY OF WAYNE, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2007

Page 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the City of Wayne's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the transmittal letter beginning on page 5 and the City's financial statements, which begin on page 27.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 27- 29) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 31. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

**Reporting the City as a Whole**

**The Statement of Net Assets and the Statement of Activities**

Our analysis of the City as a whole begins on page 20. The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer the question – "Is the City as a whole better off or worse off as a result of the year's activities?" These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. You can think of the City's net assets - the difference between assets and liabilities - as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads and other infrastructure, to assess the *overall health* of the City.

CITY OF WAYNE, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2007

Page 2

In the Statement of Net Assets and the Statement of Activities, we divide the City into three kinds of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including general government (administration), district court, public safety (police, fire and animal control), public services, community and economic development, and recreation and culture (including parks, recreation, library and museum). Property taxes, state shared revenues (sales and gas and weight tax) and federal grants finance most of these activities.
- **Business-type activities** - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system is reported here.
- **Component units** - The City includes three separate legal entities in its report - the Downtown Development Authority, the Wayne Housing Commission and the Parks and Recreation Foundation. Although legally separate, these "component units" are important because the City is financially accountable for them.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General Government	Licenses and fees
District Court	One-half of ordinance fines and costs, probation oversight fees, bond forfeitures and other court fees; State grant for district judge salary.
Public Safety	One-half of ordinance fines and costs - police department; rescue fees and emergency response fees - fire department; State funds for 911 service fees; Federal operating and capital grants for police and fire.
Public Services	Building, electrical and other permits and licenses. State shared revenues for gas and weight tax and truck line maintenance.

CITY OF WAYNE, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2007

Page 3

Community and Economic  
Development

Federal CDBG grants for housing rehabilitation.

Recreation and Culture

Recreation rentals, memberships and daily fees for the aquatic center, ice arena and community center; Federal CDBG capital grant for parks; library fines and fees; State grant for library operations.

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

#### **Reporting the City's Most Significant Funds**

Our analysis of the City's major funds begins on page 22. The fund financial statements begin on page 31 and provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes (like the refuse collection and disposal fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from Wayne County for the Community Development Block Grant program). The City's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- *Governmental funds* - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliations on page 32 and page 34 which follow the fund financial statements - Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

**CITY OF WAYNE, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Page 4

- *Proprietary funds* - When the City charges customers for services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities - such as the City's DPW Services Fund.

**The City as Trustee**

**Reporting the City's Fiduciary Responsibilities**

The City is the trustee, or *fiduciary*, for its employees' pension plan, which includes the assets in the Public Employee Health Care Fund that can only be used for retirees and their beneficiaries health care. All of the City's fiduciary activities are reported in separate Statements of Net Assets and Changes in Fiduciary Net Assets on pages 38 and 39. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE CITY AS A WHOLE**

For the year ended June 30, 2007, net assets changed as follows:

**NET ASSETS**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals Primary Government</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Current and Other Assets	\$ 12,826,855	\$ 11,381,668	\$ 10,368,849	\$ 6,099,093	\$ 23,195,704	\$ 17,480,761
Capital Assets	40,942,424	40,581,464	25,714,556	22,628,443	66,656,980	63,209,907
Total Assets	53,769,279	51,963,132	36,083,405	28,727,536	89,852,684	80,690,668
Long-Term Debt Outstanding	(22,866,495)	(20,197,806)	(17,277,282)	(10,066,156)	(40,143,777)	(30,263,962)
Other Liabilities	(3,029,071)	(5,775,626)	(2,087,717)	(1,746,135)	(5,116,788)	(7,521,761)
Total Liabilities	(25,895,566)	(25,973,432)	(19,364,999)	(11,812,291)	(45,260,565)	(37,785,723)
Net Assets:						
Invested in Capital Assets net of Debt	17,038,424	19,666,330	7,892,274	8,039,305	24,930,698	27,705,635
Restricted	474,942	558,946	780,260	511,314	1,255,202	1,070,260
Unrestricted	10,360,347	5,764,424	8,045,872	8,364,626	18,406,219	14,129,050
Total Net Assets	\$ 27,873,713	\$ 25,989,700	\$ 16,718,406	\$ 16,915,245	\$ 44,592,119	\$ 42,904,945

**CITY OF WAYNE, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Page 5

Net assets of the City's governmental activities increased by 7.3% (\$27,873,713 compared to \$25,989,700). Governmental activities were charged with \$1,883,411 of depreciation and the general fund experienced \$276,018 of revenues and other sources in excess of expenditures and other uses.

Net assets of the business-type activities decreased by 1.2% (\$16,718,406 compared to \$16,915,245). This was a slight decrease from last year's improvement of 1.4%.

*Unrestricted* net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements changed from \$5,764,424 at June 30, 2006 to \$10,360,347 at June 30, 2007.

**Governmental Activities**

	Governmental Activities		Business-type Activities		Totals Primary Government	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 3,560,915	\$ 3,483,626	\$ 7,176,085	\$ 6,678,626	\$ 10,737,000	\$ 10,162,252
Federal Grants	391,002	407,817	--	--	391,002	407,817
State Grants and Entitlements	5,277,975	3,800,914	--	--	5,277,975	3,800,914
County Grant	23,115	194,174	--	--	23,115	194,174
Private Contributions	319,557	163,705	--	--	319,557	163,705
General Revenues:						
Property Taxes	9,670,556	9,599,493	--	--	9,670,556	9,599,493
Franchise Fee	187,644	173,448	--	--	187,644	173,448
Investment Earnings	816,207	534,470	514,695	305,161	1,330,902	839,631
Miscellaneous Revenue	109,737	123,227	--	--	109,737	123,227
<b>Total Revenues</b>	<b>20,356,708</b>	<b>18,480,874</b>	<b>7,690,780</b>	<b>6,983,787</b>	<b>28,047,488</b>	<b>25,464,661</b>
<b>Program Expenses</b>						
General Government	1,784,943	1,620,206	--	--	1,784,943	1,620,206
District Court	734,204	696,509	--	--	734,204	696,509
Public Safety	7,191,088	7,170,258	--	--	7,191,088	7,170,258
Public Services	3,796,078	4,399,407	--	--	3,796,078	4,399,407
Community and Economic Development	84,557	--	--	--	84,557	--
Recreation and Culture	3,931,113	4,117,168	--	--	3,931,113	4,117,168
Other Functions	--	286,105	--	--	--	286,105
Interest on Long-Term Debt	950,719	986,641	--	--	950,719	986,641
Water and Sewer	--	--	7,887,619	6,746,928	7,887,619	6,746,928
<b>Total Expenses</b>	<b>18,472,702</b>	<b>19,276,294</b>	<b>7,887,619</b>	<b>6,746,928</b>	<b>26,360,321</b>	<b>26,023,222</b>
Excess/(Deficiency) before special item and transfers	1,884,006	(795,420)	(196,839)	236,859	1,687,167	(558,561)
Special Item	--	--	--	--	--	--
Transfers	--	--	--	--	--	--
Increase/(Decrease) in Net Assets	1,884,006	(795,420)	(196,839)	236,859	1,687,167	(558,561)
Net Assets, Beginning as Restated	25,989,707	26,785,120	16,915,245	16,678,386	42,904,952	43,463,506
<b>Net Assets, Ending</b>	<b>\$ 27,873,713</b>	<b>\$ 25,989,700</b>	<b>\$ 16,718,406</b>	<b>\$ 16,915,245</b>	<b>\$ 44,592,119</b>	<b>\$ 42,904,945</b>

**CITY OF WAYNE, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2007**

Page 6

Revenues for governmental activities totaled \$20,356,708 for fiscal year 2006-07. This is an increase of 10.2% over fiscal year 2005-06 revenues of \$18,480,874. A total of \$9,670,556 was in the form of property tax collections, an increase of \$71,063 over the previous fiscal year. This increase was a result of an increase in taxable value of \$31,007,148. State Grants and Entitlements increased by 38.9% from the prior year. State-shared revenues continue to be of concern, but have remained unchanged. The City received \$2,191,590 in fiscal year 2006-07 and we have budgeted a slight decrease for fiscal year 2007-08. The state budget, however, continues to be a concern with little sign of recovering anytime soon

**Business-type Activities**

The City has one business-type activity - the Water and Sewer System Fund. The operating revenues of the City's Water and Sewer System Fund increased by 7.4% (\$6,678,626 in 2005-06 compared to \$7,176,085 in 2006-07) while operating expenses increased by 19.4% (\$6,110,616 in 2005-06 compared to \$7,297,123 in 2006-07). Interest earned in the Water and Sewer Fund increased from \$305,161 in the prior year to \$514,695 in the current year. The City had a net loss in the Water and Sewer Fund for the current year of \$(196,839) compared to a net income of \$236,859 in the prior year.

The City purchases water from the City of Detroit. The Detroit rates to the City increased from \$8.88 per mcf during 2005-06 to \$9.45 per mcf during 2006-07, a 6.42% increase. The rates charged to our customers were increased by 45%

**THE CITY'S FUNDS**

As of June 30, 2007, the governmental funds of the City, as presented in the balance sheet on page 31, reported a combined fund balance of \$4,585,460, which reflects an increase of \$778,717 from the prior year. The General Fund showed an increase in the fund balance of \$276,018. The majority of this was due to the interest rates on the city's investments were greater than were originally budgeted. In addition, these other changes in fund balances should be noted:

**CITY OF WAYNE, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2007**

Page 7

- The fund balance in the Local Street Fund increased by \$120,623. This represents a decrease in construction on local streets which is offset by a substantial increase in construction on major streets.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the current year, the City Council revised the General Fund budget once.

- The total amount of the budget amendment was \$319,705. These increases were mainly in the area of capital outlay, overtime, fringe benefits, and a MTT refund that occurred during the year for previous years' taxes.

**CAPITAL ASSETS**

At the end of June 30, 2007, the City had \$66,656,980 invested in capital assets including land and land improvements, buildings, improvements, equipment (including police and fire equipment), park facilities, roads, bridges and water and sewer lines (see table below). This represents an increase of \$3,447,073 or 5.5% over the previous year.

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Land & Land Improvements	\$ 4,354,766	\$ 4,354,766	\$ --	\$ --	\$ 4,354,766	\$ 4,354,766
Buildings	26,800,786	27,545,321	--	--	26,800,786	27,545,321
Improvements	1,877,638	2,013,523	--	--	1,877,638	2,013,523
Equipment	2,100,177	2,165,009	61,939	107,995	2,162,116	2,273,004
Infrastructure	5,809,057	4,502,845	--	--	5,809,057	4,502,845
Utility Property	--	--	24,520,251	21,456,892	24,520,251	21,456,892
Construction-in-Progress	--	--	1,132,366	1,063,556	1,132,366	1,063,556
	<u>\$ 40,942,424</u>	<u>\$ 40,581,464</u>	<u>\$ 25,714,556</u>	<u>\$ 22,628,443</u>	<u>\$ 66,656,980</u>	<u>\$ 63,209,907</u>

This years major additions included:

Construction in Progress – Replacement of water, sewer and storm lines \$1,132,366

Additional information on the City of Wayne's capital assets can be found in note 3C on pages 62 – 64 of this report.

**CITY OF WAYNE, MICHIGAN**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Page 8

**DEBT ADMINISTRATION**

At year end, the City has \$38,045,000 in outstanding general obligation bonds, \$336,786 in notes payable and \$194,793 in capital leases payable. This is a \$6,913,982 or a 21.8% increase over the prior year total balance of \$31,662,597 as shown in the following table.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 19,870,000	\$ 20,590,000	\$ 18,175,000	\$ 10,610,000	\$ 38,045,000	\$ 31,200,000
Notes Payable	236,926	342,851	--	--	236,926	342,851
Capital Leases	294,653	119,746	--	--	294,653	119,746
	<u>\$ 20,401,579</u>	<u>\$ 21,052,597</u>	<u>\$ 18,175,000</u>	<u>\$ 10,610,000</u>	<u>\$ 38,576,579</u>	<u>\$ 31,662,597</u>

The City of Wayne received an Aaa rating from Moodys Investors Service noting historically well managed and stable financial operations. Under current state statutes, the City of Wayne's general obligation bonded debt issuances are subject to a legal limitation based on 10 percent of the total assessed value of real and personal property. As of June 30, 2007, the City of Wayne's net general obligation bonded debt was well below the legal limit of \$96,949,830. Additional information on the City of Wayne's long-term debt can be found in Note 3E on pages 65-69 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when setting the fiscal year 2007-08 Budget, tax rates and fees that will be charged to business type activities. One of those factors is the economy. The City of Wayne's unemployment rate is at 6.3% for 2007.

According to the Research Seminar in Quantitative Economics at the University of Michigan, they are forecasting smaller rates of job loss by mid-2008, with no return to positive job growth until the spring of 2009-and modest growth at that. Personal income growth edges up from 2.5 percent in 2006 to 2.8 percent in 2007, retreats to 2.4 percent in 2008 and then surges to 3.9 percent in 2009.

Approved appropriations by the City Council in the General Fund budget are \$21,347,771 for the 2007-08 fiscal year which is an increase of 9.5% over FY 2006-07 actual expenditures and transfers out of \$19,940,474. Revenue projections are budgeted at \$21,320,895 plus a usage of fund balance of \$26,876. Property tax assessment increases and significant transfers in from other funds are expected, however, the State revenue sharing is expected to decrease slightly. The revenue budget reflects an 8.4% increase over the June 30, 2007 actual amount of \$20,216,492. State revenue sharing plays a significant role in the City of Wayne's budget, accounting for over 10.0% of total General Fund revenue. The City of Wayne and all local communities continue to be vulnerable to statutory revenue sharing cuts by the State. If future cuts are imminent, the City is again making plans to be prepared.



CITY OF WAYNE, MICHIGAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2007

Page 9

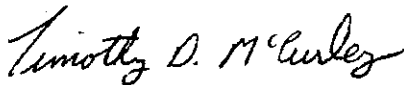
The major capital projects the City of Wayne has planned for fiscal year 2007-08 budget is the water & sewer project, and the ongoing repaving of Michigan Avenue West between Howe and the railroad. The Michigan Avenue West project is scheduled to be completed by November 2007.

A one mill increase was passed by the citizens of Wayne for the replacement and repair of the City's deficient streets, roads and sidewalks. The administration has put together a plan that will address the needs of the City of the next 25 years.

The City has also placed in the 2007-08 budget the replacement of an aerial fire truck. This vehicle will be delivered within the next 15 months.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, contact the City's finance office at 3355 South Wayne Road, Wayne, Michigan 48184



Timothy D. McCurley, CPA  
Finance Director/City Treasurer

**CITY OF WAYNE, MICHIGAN**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 10,419,513	\$ 7,568,321	\$ 17,987,834	\$ 2,008,677
Investments	--	1,771,020	1,771,020	--
Receivables (Net)	1,807,581	951,061	2,758,642	5,225
Internal Balances	213,934	(213,934)	--	--
Inventories	228,785	--	228,785	19,065
Prepaid Expenses	25,989	--	25,989	13,207
Deferred Charges	131,053	--	131,053	--
Restricted Assets:				
Cash and Cash Equivalents	--	274,069	274,069	--
Total Current Assets	<u>12,826,855</u>	<u>10,350,537</u>	<u>23,177,392</u>	<u>2,046,174</u>
Noncurrent Assets:				
Cash and Cash Equivalents	--	18,312	18,312	--
Land Contract Receivable	--	--	--	226,458
Capital Assets (Note 3C):				
Land, Improvements, and Construction in Progress	4,354,766	1,132,366	5,487,132	1,557,089
Other Capital Assets, Net of Depreciation	36,587,658	24,582,190	61,169,848	7,122,004
Total Capital Assets	<u>40,942,424</u>	<u>25,714,556</u>	<u>66,656,980</u>	<u>8,679,093</u>
Total Noncurrent Assets	<u>40,942,424</u>	<u>25,732,868</u>	<u>66,675,292</u>	<u>8,905,551</u>
Total Assets	<u>53,769,279</u>	<u>36,083,405</u>	<u>89,852,684</u>	<u>10,951,725</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	1,660,771	1,485,597	3,146,368	1,300,263
Unearned Revenue	94,169	--	94,169	244,171
Current Portion of Long-Term Debt (Note 3E)	1,037,505	--	1,037,505	73,159
Liabilities Payable from Restricted Assets				
Current Portion of Long-Term Debt	--	545,000	545,000	--
Accrued Interest Payable	236,626	57,120	293,746	--
Total Current Liabilities	<u>3,029,071</u>	<u>2,087,717</u>	<u>5,116,788</u>	<u>1,617,593</u>
Long-Term Liabilities (Note 3E):				
Long-Term Debt, Net of Current Portion	<u>22,866,495</u>	<u>17,277,282</u>	<u>40,143,777</u>	<u>164,153</u>
Total Liabilities	<u>25,895,566</u>	<u>(19,364,999)</u>	<u>45,260,565</u>	<u>(1,781,746)</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	17,038,424	7,892,274	24,930,698	8,441,781
Restricted For:				
Debt Service	34,826	761,949	796,775	--
Cemetery Perpetual Care (Nonexpendable)	315,818	--	315,818	--
Other Purposes	124,298	18,312	142,610	--
Unrestricted	<u>10,360,347</u>	<u>8,045,871</u>	<u>18,406,218</u>	<u>728,198</u>
Total Net Assets	<u>\$ 27,873,713</u>	<u>\$ 16,718,406</u>	<u>\$ 44,592,119</u>	<u>\$ 9,169,979</u>

The accompanying notes are an integral part of this statement.

**CITY OF WAYNE, MICHIGAN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<b>PRIMARY GOVERNMENT:</b>				
Governmental Activities:				
General Government	\$ 1,784,943	\$ 171,459	\$ 40,928	\$ 189,854
District Court	734,204	630,346	58,393	--
Public Safety	7,191,088	844,109	190,100	--
Public Services	3,796,078	662,966	2,777,122	--
Community and Economic Development	84,557	--	84,661	--
Recreation and Culture	3,931,113	1,252,035	352,859	126,142
Interest on Long-Term Debt	950,719	--	--	--
Total Governmental Activities	<u>18,472,702</u>	<u>3,560,915</u>	<u>3,504,063</u>	<u>315,996</u>
Business-type Activities:				
Water and Sewer	7,887,619	7,176,085	--	--
Total Primary Government	<u>\$ 26,360,321</u>	<u>\$ 10,737,000</u>	<u>\$ 3,504,063</u>	<u>\$ 315,996</u>
<b>COMPONENT UNITS:</b>				
Downtown Development Authority	\$ 6,047,038	\$ 507,517	\$ --	\$ 29,595
Parks and Recreation Foundation	3,500	--	10,889	--
Wayne Housing Commission	395,547	160,931	100,718	99,594
Total Component Units	<u>\$ 6,446,085</u>	<u>\$ 668,448</u>	<u>\$ 111,607</u>	<u>\$ 129,189</u>

General Revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for refuse

Property taxes, levied for library

Franchise Fee

Investment Earnings

Grants and Contributions not restricted to specific programs

Miscellaneous

Total General Revenues

Change in net assets

Net Assets, Beginning as restated

Net Assets, Ending

The accompanying notes are an integral part of this statement.

**NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS**

<b>PRIMARY GOVERNMENT</b>			
<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS- TYPE ACTIVITIES</b>	<b>TOTAL</b>	<b>COMPONENT UNITS</b>
\$ (1,382,702)	\$ --	\$ (1,382,702)	\$ --
(45,465)	--	(45,465)	--
(6,156,879)	--	(6,156,879)	--
(355,990)	--	(355,990)	--
104	--	104	--
(2,200,077)	--	(2,200,077)	--
(950,719)	--	(950,719)	--
(11,091,728)	--	(11,091,728)	--
--	(711,534)	(711,534)	--
(11,091,728)	(711,534)	(11,803,262)	--
--	--	--	(5,509,926)
--	--	--	7,389
--	--	--	(34,304)
--	--	--	(5,536,841)
7,900,632	--	7,900,632	6,350,072
12	--	12	--
1,107,497	--	1,107,497	--
662,415	--	662,415	--
187,644	--	187,644	--
816,207	514,695	1,330,902	71,282
2,191,590	--	2,191,590	--
109,737	--	109,737	--
12,975,734	514,695	13,490,429	6,421,354
1,884,006	(196,839)	1,687,167	884,513
25,989,707	16,915,245	42,904,952	8,285,466
\$ 27,873,713	\$ 16,718,406	\$ 44,592,119	\$ 9,169,979

CITY OF WAYNE, MICHIGAN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 1,762,216	\$ 277,325	\$ 468,088	\$ 1,790,841	\$ 4,298,470
Receivables:					
Accounts (Net)	178,293	2,457	--	32,166	212,916
Taxes (Net)	661,817	--	--	17,166	678,983
Intergovernmental	519,661	118,450	46,750	111,301	796,162
Land Contracts	--	--	--	20,484	20,484
Due from Other Funds	52,946	--	29,613	200	82,759
Interfund Receivables	161,591	--	--	--	161,591
Inventory	3,400	--	--	--	3,400
Prepaid Items	12,680	375	--	--	13,055
Total Assets	<u>\$ 3,352,604</u>	<u>\$ 398,607</u>	<u>\$ 544,451</u>	<u>\$ 1,972,158</u>	<u>\$ 6,267,820</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Liabilities:					
Accounts Payable	\$ 748,598	\$ 22,758	\$ 6,932	\$ 236,541	\$ 1,014,829
Due to Other Funds	8,240	33,922	7,384	53,709	103,255
Interfund Payable	--	--	--	33,786	33,786
Accrued Salaries and Wages	218,219	--	--	7,493	225,712
Deposits	12,593	--	--	--	12,593
Deferred Revenue	176,559	--	--	115,626	292,185
Total Liabilities	<u>1,164,209</u>	<u>56,680</u>	<u>14,316</u>	<u>447,155</u>	<u>1,682,360</u>
Fund Balances:					
Reserved for:					
Prepaid Items	12,680	375	--	--	13,055
Police (Note 3.H.)	124,298	--	--	--	124,298
Debt Service	--	--	--	34,826	34,826
Capital Projects	--	--	--	226,458	226,458
Perpetual Care (Nonexpendable)	--	--	--	315,818	315,818
Unreserved:					
Designated for:					
Equipment	190,000	--	--	--	190,000
Construction	180,000	--	--	--	180,000
Compensated Absences	1,100,115	--	--	20,085	1,120,200
Undesignated	581,302	341,552	530,135	--	1,452,989
Undesignated Reported in Nonmajor:					
Special Revenue Funds	--	--	--	644,934	644,934
Capital Projects Funds	--	--	--	282,882	282,882
Total Fund Balance	<u>2,188,395</u>	<u>341,927</u>	<u>530,135</u>	<u>1,525,003</u>	<u>4,585,460</u>
Total Liabilities and Fund Balance	<u>\$ 3,352,604</u>	<u>\$ 398,607</u>	<u>\$ 544,451</u>	<u>\$ 1,972,158</u>	<u>\$ 6,267,820</u>

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCE TO NET ASSETS OF  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2007

Total Governmental Fund Balances	\$ 4,585,460
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	39,178,883
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.	161,120
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and equipment use to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.	7,810,492
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	<u>(23,862,242)</u>
Net Assets of Governmental Activities	<u>\$ 27,873,713</u>

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Major Street and Trunkline Fund	Local Street Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 8,081,100	\$ --	\$ --	\$ 1,769,925	\$ 9,851,025
Licenses and Permits	353,982	--	--	--	353,982
Intergovernmental	2,354,616	748,199	284,711	478,760	3,866,286
Charges for Services	2,132,161	--	--	61,616	2,193,777
Fines and Forfeits	604,832	--	--	--	604,832
Interest and Rents	494,047	15,853	21,001	88,452	619,353
Other	5,774,908	1,744,212	--	491,017	8,010,137
Total Revenues	<u>19,795,646</u>	<u>2,508,264</u>	<u>305,712</u>	<u>2,889,770</u>	<u>25,499,392</u>
Expenditures:					
Current:					
General Government	2,696,170	--	--	129,391	2,825,561
District Court	982,044	--	--	--	982,044
Public Safety	9,315,583	--	--	24,672	9,340,255
Public Works	1,876,321	321,133	627,154	1,014,209	3,838,817
Community and Economic Development	--	--	--	84,557	84,557
Recreation and Culture	3,463,466	--	--	846,037	4,309,503
Capital Outlay	200,806	1,744,212	19,021	114,243	2,078,282
Debt Service:					
Principal	--	--	--	720,000	720,000
Interest and Paying Agent Fees	--	--	--	949,833	949,833
Total Expenditures	<u>18,534,390</u>	<u>2,065,345</u>	<u>646,175</u>	<u>3,882,942</u>	<u>25,128,852</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>1,261,256</u>	<u>442,919</u>	<u>(340,463)</u>	<u>(993,172)</u>	<u>370,540</u>
Other Financing Sources/(Uses):					
Issuance of Debt	93,147	--	--	21,584	114,731
Transfers In	327,001	--	461,086	2,384,616	3,172,703
Transfers Out	(1,406,084)	(410,348)	--	(1,406,271)	(3,222,703)
Proceeds from Sale of Capital Assets	698	--	--	4,370	5,068
Total Other Financing Sources/(Uses)	<u>(985,238)</u>	<u>(410,348)</u>	<u>461,086</u>	<u>1,004,299</u>	<u>69,799</u>
Net Change in Fund Balance	<u>276,018</u>	<u>32,571</u>	<u>120,623</u>	<u>11,127</u>	<u>440,339</u>
Fund Balance at Beginning of Year	1,577,317	309,356	409,512	1,510,558	3,806,743
Restatement for Accrued Compensated Absences	335,060	--	--	3,318	338,378
Fund Balance at Beginning of Year, Restated	<u>1,912,377</u>	<u>309,356</u>	<u>409,512</u>	<u>1,513,876</u>	<u>4,145,121</u>
Fund Balance at End of Year	<u>\$ 2,188,395</u>	<u>\$ 341,927</u>	<u>\$ 530,135</u>	<u>\$ 1,525,003</u>	<u>\$ 4,585,460</u>

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007

Net Changes in Fund Balances - Total Governmental Funds	\$ 440,339
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	584,473
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposals.	(8,580)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(162,686)
Discounts on Bond Proceeds from debt issued are an other financing source/use of funds, but are deferred charges to be amortized over the life of the bond issue in the statement of net assets.	(6,410)
The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets.	701,570
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	(94,765)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and equipment use, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	430,065
Change in Net Assets of Governmental Activities	<u>\$ 1,884,006</u>

The accompanying notes are an integral part of this statement.



CITY OF WAYNE, MICHIGAN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2007

	Business-Type Activities Water and Sewer Fund	Governmental Activities Internal Service Funds
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 7,568,321	\$ 6,121,043
Investments	1,771,020	--
Restricted Assets:		
Cash and Cash Equivalents	274,069	--
Accounts Receivable	951,061	97,305
Due from Employees	--	1,731
Due from Other Funds	--	45,794
Inventory	--	225,385
Prepaid Items	--	12,934
Total Current Assets	<u>10,564,471</u>	<u>6,504,192</u>
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	<u>18,312</u>	<u>--</u>
Capital Assets:		
Construction in Progress	1,132,366	--
Property, Plant and Equipment	34,125,995	6,975,256
Less: Accumulated Depreciation	<u>(9,543,805)</u>	<u>(5,211,715)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>25,714,556</u>	<u>1,763,541</u>
Total Noncurrent Assets	<u>25,732,868</u>	<u>1,763,541</u>
Total Assets	<u>36,297,339</u>	<u>8,267,733</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	1,274,379	78,025
Retainage Payable	201,153	3,016
Due to Other Funds	22,282	--
Interfund Payables	--	127,805
Accrued Salaries and Wages	949	36,937
Accrued Compensated Absences	9,116	--
Current Portion of Long-Term Debt	--	59,045
Accrued Interest Payable	--	107
Payable from Restricted Assets:		
Accrued Interest Payable	57,120	--
Current Portion of Long-Term Debt	545,000	--
Unsettled Claims - Property Casualty Losses	--	30,025
Unsettled Claims - Worker's Compensation	--	262,650
Total Current Liabilities (Payable from Current Assets)	<u>2,109,999</u>	<u>597,610</u>
Noncurrent Liabilities:		
Bonds and Contracts Payable (Net of Deferred Amount on Refunding)	<u>17,277,282</u>	<u>51,283</u>
Total Liabilities	<u>19,387,281</u>	<u>648,893</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	7,892,274	1,653,213
Restricted for Debt Service	761,949	--
Restricted for Construction	18,312	--
Unrestricted	8,237,523	5,965,627
Total Net Assets	<u>16,910,058</u>	<u>\$ 7,618,840</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	<u>(191,652)</u>	
Net assets of business-type activities	<u>\$ 16,718,406</u>	

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities  Water and Sewer Fund	Governmental Activities  Internal Service Funds
Operating Revenues:		
Water Sales	\$ 2,978,070	\$ --
Sewage Disposal	3,545,977	--
Charges for Services	--	8,195,595
Debt Service	5,800	--
Penalties	122,593	--
Other	523,645	16,093
Total Operating Revenues	<u>7,176,085</u>	<u>8,211,688</u>
Operating Expenses:		
Water Purchased	1,530,257	--
Sewage Disposal	2,100,925	--
Administration and Meter Shop	708,720	--
Salaries and Benefits	--	3,054,739
Materials and Supplies	--	363,865
Professional Services	--	77,047
Transportation	--	23,079
Payment and Claims	--	1,390,068
Service and Maintenance	2,295,997	260,622
Insurance and Bonds	--	2,314,295
Depreciation	661,224	389,602
Other	--	127,242
Total Operating Expenses	<u>7,297,123</u>	<u>8,000,559</u>
Operating Income/(Loss)	<u>(121,038)</u>	<u>211,129</u>
Non-Operating Revenues/(Expenses):		
Interest Income	514,695	223,514
Interest and Paying Agent Fees Expense	(637,801)	(1,370)
Loss on Sale of Capital Assets	--	(5,903)
Total Non-Operating Revenues/(Expenses)	<u>(123,106)</u>	<u>216,241</u>
Income/(Loss) Before Transfers	(244,144)	427,370
Transfers In	--	214,282
Transfers Out	--	(164,282)
Change in Net Assets	<u>(244,144)</u>	<u>477,370</u>
Total Net Assets, Beginning of Year	<u>17,154,202</u>	<u>7,141,470</u>
Total Net Assets, End of Year	<u>\$ 16,910,058</u>	<u>\$ 7,618,840</u>
Change in Net Assets	\$ (244,144)	
Some amounts reported for business-type activities are different because the net (expenses) of certain internal service funds are reported with business-type activities.	47,305	
Change in Net Assets - Business-Type activities	<u>\$ (196,839)</u>	

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	Business-Type Activities  Water and Sewer Fund	Governmental Activities  Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 6,658,746	\$ --
Cash Received from Interfund Services	--	8,151,162
Cash Payments to Suppliers for Goods and Services	(5,072,144)	(4,285,803)
Cash Payments to Employees for Services	(1,384,413)	(3,056,655)
Other Operating Receipts	652,038	--
Net Cash Provided by Operating Activities	<u>854,227</u>	<u>808,704</u>
Cash Flows for Non-Capital Financing Activities:		
Contribution to Other Funds	--	(114,282)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt	--	154,000
Contribution from Other Funds	--	164,282
Acquisition and Construction of Capital Assets	(3,747,338)	(180,588)
Proceeds from Bond Issue	7,500,000	--
Principal Paid on Revenue Bonds and Contracts	(83,874)	(103,450)
Interest Paid on Revenue Bonds and Contracts	(690,545)	(1,846)
Proceeds from Sale of Capital Assets	--	2,570
Net Cash Provided by Capital and Related Financing Activities	<u>2,978,243</u>	<u>34,968</u>
Cash Flows from Investing Activities:		
Interest on Investments	514,695	223,514
Net Increase in Cash and Cash Equivalents	4,347,165	952,904
Cash and Cash Equivalents at Beginning of Year (Including \$281,178 in restricted accounts)	5,284,557	5,168,139
Cash and Cash Equivalents at End of Year (Including \$292,381 in restricted accounts)	<u>\$ 9,631,722</u>	<u>\$ 6,121,043</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>		
Operating Income/(Loss)	\$ (121,038)	\$ 211,129
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Depreciation	661,224	389,602
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	134,700	(44,034)
(Increase) in Inventory	--	(37,883)
Decrease in Due from Employees	--	1,734
Decrease in Due from Other Funds	--	2,674
(Increase)/Decrease in Prepaid Items	503	(11,913)
Increase in Accounts Payable	219,953	60,730
(Decrease) in Due to Other Governmental Units	--	(2,207)
(Decrease) in Retainage Payable	(35,021)	--
Increase/(Decrease) in Due to Other Funds	(10,488)	105,752
(Decrease) in Accrued Salaries and Wages	(88)	(1,916)
Increase in Accrued Compensated Absences	4,482	--
(Decrease) in Unsettled Claims - Property Casualty Losses	--	(14,268)
Increase in Unsettled Claims - Workers Compensation	--	149,304
Total Adjustments	<u>975,265</u>	<u>597,575</u>
Net Cash Provided by Operating Activities	<u>\$ 854,227</u>	<u>\$ 808,704</u>

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2007

	Pension and Other Employee Benefits <u>Trust Fund</u>	Agency <u>Funds</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,443,161	\$ 375,229
Investments, at fair value		
Mutual Funds	30,442,988	--
United States Government Obligations	287,975	--
Common Stock	42,500,043	--
Total Investments	<u>73,231,006</u>	<u>--</u>
Accounts Receivable	1,169	--
Interest/Dividend Receivable	79,988	--
Taxes Receivable - Delinquent	--	1,265,716
Due from Other Governments	<u>--</u>	<u>90,350</u>
Total Assets	<u>76,755,324</u>	<u>1,731,295</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts Payable	49,856	68,207
Due to Other Governments	--	1,632,458
Refunds Due to Taxpayers	<u>--</u>	<u>30,630</u>
Total Liabilities	<u>49,856</u>	<u>1,731,295</u>
Net Assets:		
Restricted for:		
General Employee Contributions	4,848,882	--
Police and Fire Employees Contributions	4,282,776	--
Employer Contributions - General Employees	24,086,356	--
Employer Contributions - Police and Fire Employees	31,672,949	--
Member Annuity	96,381	--
Retirement Benefit Payments	9,903,588	--
Health Care Payments	<u>1,814,536</u>	<u>--</u>
Net Assets held in trust for Pension and Other Employee Benefits	<u>\$ 76,705,468</u>	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	Pension and Other Employee Benefits <u>Trust Fund</u>
Additions	
Contributions:	
Employer	\$ 2,371,391
Employee	669,907
Investment Income:	
Net Appreciation (Depreciation) in Fair Value of Investments	9,666,741
Interest and Dividends	988,322
Investment Administration Fees	(483,819)
Total Additions	<u>13,212,542</u>
Deductions:	
Benefits	(4,115,063)
Refunds	(41,492)
Total Deductions	<u>(4,156,555)</u>
Change in Net Assets	<u>9,055,987</u>
Net Assets at Beginning of Year	<u>67,649,481</u>
Net Assets at End of Year	<u>\$ 76,705,468</u>

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
STATEMENT OF NET ASSETS  
COMPONENT UNITS  
JUNE 30, 2007

	Downtown Development Authority	Nonmajor Component Units	Total
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,917,420	\$ 91,257	\$ 2,008,677
Receivables (Net)	4,539	686	5,225
Inventories	--	19,065	19,065
Prepaid Expenses	13,207	--	13,207
Total Current Assets	<u>1,935,166</u>	<u>111,008</u>	<u>2,046,174</u>
Noncurrent Assets:			
Land Contract Receivable	<u>226,458</u>	<u>--</u>	<u>226,458</u>
Capital Assets (Note 3C):			
Land, Improvements, and			
Construction in Progress	1,498,448	58,641	1,557,089
Other Capital Assets, Net of Depreciation	6,374,686	747,318	7,122,004
Total Capital Assets	<u>7,873,134</u>	<u>805,959</u>	<u>8,679,093</u>
Total Noncurrent Assets	<u>8,099,592</u>	<u>805,959</u>	<u>8,905,551</u>
Total Assets	<u>10,034,758</u>	<u>916,967</u>	<u>10,951,725</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	1,268,602	31,661	1,300,263
Unearned Revenue	226,459	17,712	244,171
Total Current Liabilities	<u>1,495,061</u>	<u>49,373</u>	<u>1,544,434</u>
Long-Term Liabilities (Note 3E):			
Due Within One Year	73,159	--	73,159
Due in More than One Year	164,153	--	164,153
Total Long-Term Liabilities	<u>237,312</u>	<u>--</u>	<u>237,312</u>
Total Liabilities	<u>1,732,373</u>	<u>49,373</u>	<u>1,781,746</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	7,635,822	805,959	8,441,781
Unrestricted	<u>666,563</u>	<u>61,635</u>	<u>728,198</u>
Total Net Assets	<u>\$ 8,302,385</u>	<u>\$ 867,594</u>	<u>\$ 9,169,979</u>

The accompanying notes are an integral part of this statement.

CITY OF WAYNE, MICHIGAN  
STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2007

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Downtown Development Authority	\$ 6,047,038	\$ 507,517	\$ --	\$ 29,595
Parks and Recreation Foundation	3,500	--	10,889	--
Wayne Housing Commission	395,547	160,931	100,718	99,594
Total Component Units	<u>\$ 6,446,085</u>	<u>\$ 668,448</u>	<u>\$ 111,607</u>	<u>\$ 129,189</u>

General Revenues:

Taxes:  
     Property taxes, levied for general purposes  
 Investment Earnings  
 Total General Revenues  
 Change in net assets  
 Net Assets, Beginning as restated  
 Net Assets, Ending

The accompanying notes are an integral part of this statement.

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>	<u>NONMAJOR COMPONENT UNITS</u>	<u>TOTAL</u>
(5,509,926)	--	(5,509,926)
--	7,389	7,389
--	(34,304)	(34,304)
<u>(5,509,926)</u>	<u>(26,915)</u>	<u>(5,536,841)</u>
6,350,072	--	6,350,072
70,139	1,143	71,282
<u>6,420,211</u>	<u>1,143</u>	<u>6,421,354</u>
910,285	(25,772)	884,513
7,392,100	893,366	8,285,466
<u>\$ 8,302,385</u>	<u>\$ 867,594</u>	<u>\$ 9,169,979</u>



CITY OF WAYNE, MICHIGAN  
NOTES TO BASIC FINANCIAL STATEMENTS

---

**INDEX**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Financial Reporting Entity
- B. Basis of Presentation
- C. Measurement Focus and Basis of Accounting
- D. Assets, Liabilities and Equity
- E. Revenues, Expenditures and Expenses

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

- A. Deposits and Investments
- B. Accounts Receivable and Accounts Payable
- C. Capital Assets
- D. Capital Leases
- E. Long-Term Debt
- F. Interfund Transactions and Balances
- G. Interfund Assets/Liabilities
- H. Restricted Net Assets/Reserved Fund Balance

NOTE 4. OTHER NOTES

- A. Contract Commitments
- B. Risk Management - Insurance
- C. Contingent Liabilities - Lawsuits and Other
- D. Joint Ventures
- E. Other Postemployment Benefits
- F. Pension Trust Fund
- G. Special Revenue Funds - Fund Deficits
- H. New Accounting Pronouncements
- I. Restatement of Net Assets/Fund Balance

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 1 OF 34)

**Note 1 Summary of Significant Accounting Policies**

The City of Wayne was incorporated as a village on April 12, 1869. It was incorporated as a City on August 5, 1958, under the provisions of Act 279, P.A. 1909, as amended (Home Rule City Act). The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety (police, fire and district court), highways and streets, culture-recreation, community development, water and sewage system and general and administrative services.

The financial statements of the City of Wayne (government) have been prepared with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's reporting entity applies all relevant GASB pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement Nos. 20 and 34 provide the City the option of electing to apply FASB pronouncements issued after November 30, 1989. The City has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

**1.A. Financial Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the City of Wayne, Michigan and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the City. The discretely presented component units, on the other hand, are reported in a separate column in the government wide financial statements to emphasize that they are legally separate from the City.

*Blended Component Units:*

City of Wayne Building Authority - The City of Wayne Building Authority's (the Authority) Governing Board is appointed by the City Council which has the ability to significantly influence operations. The City approves the Authority budget, has responsibility to fund deficits, and surplus funds existing at the termination of the Authority vest to the City. The City has significant fiscal management responsibility and legal liability for the Authority's debt remains with the City. The Authority is presented as a governmental fund type with a fiscal year end of June 30.

*Discretely Presented Component Units:*

City of Wayne Downtown Development Authority - The City of Wayne Downtown Development Authority's (DDA) Governing Board is appointed by the City Council which has the ability to significantly influence operations. The City approves the DDA budget, has responsibility to fund deficits, and has significant fiscal management responsibility. The DDA is presented as a governmental fund type with a fiscal year end of June 30. The City had significant transactions with the DDA, in that the DDA contributed \$5,796,046 to the City's governmental funds to help cover the DDA district's share of operating expenditures for the fiscal year, of which \$189,853 was for bond payments on the new fire station, a DDA project. Also, the City signed a note payable to the DDA as disclosed in footnote 3.E. Complete financial statements of the DDA can be obtained at the City of Wayne Finance Department at City Hall.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 2 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.A. Financial Reporting Entity - *continued***

City of Wayne Parks and Recreation Foundation - The City of Wayne Parks and Recreation Foundation's Governing Board is appointed by the City Council which has the ability to significantly influence operations. The City has responsibility to fund deficits and has significant fiscal management responsibility. The Foundation is presented as a governmental fund type with a fiscal year end date of June 30. Complete financial statements of the Parks and Recreation Foundation can be obtained at the City of Wayne Finance Department at City Hall.

City of Wayne Housing Commission - The City of Wayne Housing Commission operates within the geographic boundaries of the City and for the benefit of the City's residents. The Wayne Housing Commission members are appointed by the City Council which has the ability to significantly influence operations. The Commission is presented as a business-type activity which has a December 31, year end. Complete financial statements of the Wayne Housing Commission can be obtained at the entity's administrative office: Wayne Housing Commission, 4001 S. Wayne Road, Wayne, MI 48184.

The Economic Development Corporation of the City of Wayne - The Economic Development Corporation of the City of Wayne operates within the geographic boundaries of the City for the benefit of the City's residents. The members of the board of directors of the Economic Development Corporation are appointed by the Mayor subject to City Council approval. However, this component unit has been inactive for several years, therefore, no financial information is presented.

**1.B. Basis of Presentation**

Basic Financial Statements-Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's general government, district court, public safety, public services, community and economic development, and recreation and culture are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions (General Government, Public Safety, etc.) and business-type activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (General Government, Public Safety, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 3 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.B. Basis of Presentation - *continued***

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, intergovernmental revenues, interest income, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds to recover the direct costs of General Fund services provided (finance, personnel, legal, technology management, etc.). This is eliminated like a reimbursement (reducing the revenue and expense in the General Fund).

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

**Basic Financial Statements - Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements as follows:

**(1) Governmental Funds:**

The focus of governmental fund measurement is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

- a. **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. **Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.
- d. **Capital project funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).
- e. **Permanent fund** is used for assets held by the City pursuant to a trust agreement. The principal portion of this fund must remain intact, but the earnings are used to achieve the objective of the fund.

**(2) Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 4 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.B. Basis of Presentation - *continued***

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues or (b) establishes fees and charges based on a pricing policy designed to recover similar costs. The City reports the Water and Sewer Fund as a major enterprise fund. This fund is used to account for the operation of the City's water supply and sewage disposal system.
- b. **Internal service funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. Internal service funds include equipment replacement, employee health insurance, risk management, and DPW services.

(3) **Fiduciary Funds (Not included in government-wide statements):**

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore, are not available to support City programs. The reporting focus is on net assets and changes in net assets which are reported using accounting principles similar to proprietary funds. Fiduciary pension funds include the general employee retirement system, the police and fire employee retirement system, and post employment health care. The fiduciary agency funds include current and delinquent tax collections, imprest payroll, and miscellaneous funds held in an agency capacity.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City reports the General Fund as a major fund. The City also treated the Major and Local Street Funds as major funds, as required by the State of Michigan. The component unit Downtown Development Authority is a major fund and reports the activities of various City improvement projects.

The City's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the City's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, etc.).

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension and other employee benefits and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 5 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.C. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**(1) Measurement Focus**

On the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- (a) All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues, and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.
- (b) All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund equity is classified as net assets. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

**(2) Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**(a) Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**(b) Modified Accrual:**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. Exceptions in such method from the modified accrual basis are as follows:

- a. Interest income on special assessments receivable is not accrued until its due date.
- b. Interest on bonded indebtedness and other long-term debt is not recorded as an expenditure until its due date.
- c. Payments for inventorable types of supplies are recorded as expenditures at the time of purchase.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 6 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.D. Assets, Liabilities and Equity**

Cash and Investments

For the purpose of the Statement of Net Assets, cash and cash equivalents include amounts on deposit as well as short-term investments with an original maturity of three months or less from the date of acquisition.

For purposes of the Statement of Cash Flows, the proprietary funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less from the date of acquisition that can be readily converted to cash to be cash equivalents

Investment income revenues associated with General Debt Service Funds, the Permanent Fund, and the Internal Service Fund - Administrative Service Fund are administratively assigned and transferred to the General Fund.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Managed funds related to the retirement system not listed on an established market are reported at estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities. Cash deposits are reported at carrying amount which reasonably estimates fair value. The composition of pension trust investments, additional cash and investment information, and fair values are presented in Note 3.A.

Pooled Investment Fund

The City maintains a pooled investment fund for all funds other than the Pension Trust Fund. As of June 30, 2007, the pooled investment funds totaled \$22,685,664.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". See Notes 3.F. and 3.G. for details of interfund transactions, including receivables and payables at year end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, state shared revenues, and fire rescue services. Business-type activities report utilities earnings as their major receivables.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 7 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.D. Assets, Liabilities and Equity - *continued***

In the fund financial statements, material receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned if paid within 60 days since they would be considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year end and not yet received. Utility accounts receivable compose the majority of proprietary fund receivables. Allowance for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items.

Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants.

Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Government-Wide Statements

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities' columns in the government-wide financial statements. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:



CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 8 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.D. Assets, Liabilities and Equity - *continued***

Buildings	40-50 years
Improvements	20-25 years
Machinery and Equipment	10-25 years
Utility System	25-66 years
Infrastructure	25-40 years

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Long-Term Debt

The accounting treatment of long-term debt, which consists primarily of bonds payable, notes payable, and accrued compensated absences, depends on whether the obligation is incurred in governmental fund operations or proprietary fund operations and whether it is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities on the Statement of Net Assets in the government-wide financial statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide financial statements.

Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service. An employee's account is credited for vacation time on January 1 based on time worked in the previous calendar year and must be used prior to the next January 1. Upon termination employees are paid for all unused/accrued vacation leave. Sick leave is accumulated at the rate of one day per month of employment for all employees, except for fire employees who receive 1.4 days per month. Unused sick leave accumulates year to year to an unlimited amount, but may be limited to a number of days or hours based on collective bargaining agreements. Days or hours in excess of the maximum will be paid on an annual basis at 50 percent of hourly rate. Upon death, retirement or termination, five-eighths of unused accumulated sick leave is paid to full time employees with 10 or 15 years of service based on individual contracts; court employees hired prior to 1987 receive 100% payment of their 1987 sick leave balance. For all City employees, except fire and Police Officers Association of Michigan (POAM) employees, the accumulated sick leave payments are calculated based on the rate of pay in effect at the time of termination. Fire employees and POAM accumulated leave is based upon average fixed pay (POAM minimum of 60 days).

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 9 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.D. Assets, Liabilities and Equity - *continued***

The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. The current portion of this debt is based on projected information. In the fund financial statements, governmental funds, vested vacation leave is reported as a designation of fund balance of the applicable governmental fund. Accrued compensated absences is reported as a liability in governmental funds only if they have matured; i.e., only if the employee has terminated as of June 30, 2007. Vested vacation leave and vested and accumulated sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Equity Classifications

*Government-Wide Statements*

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

*Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Proprietary fund equity is classified the same as in the government-wide financial statements. See Note 3.H. for additional disclosures.

**1.E. Revenues, Expenditures and Expenses**

Property Taxes

Property taxes were levied July 1 (100% city taxes, 100% school taxes including WCRESA, and 2/3 County operating) and December 1 (1/3 County operating and 100% all other County taxes) and are payable on or before October 1 and February 14, respectively, without penalty. These taxes become liens against the property on December 31 of the previous year. After February 28, all unpaid taxes are declared delinquent with the City continuing to collect all Act 198 taxes and ad valorem personal property taxes. Ad valorem real property taxes are turned over to the county treasurer who assumes responsibility for their collection and immediately, upon settlement, reimburses the City from the county revolving tax fund. The City collects its own property tax and also taxes for other entities including the county and school districts which are within the City. Collections and remittances of the taxes to those entities are accounted for in the current and delinquent tax collection funds. The City tax levy for the 2006 roll was as follows:

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 10 OF 34)

**Note 1 Summary of Significant Accounting Policies - *continued***

**1.E. Revenues, Expenditures and Expenses - *continued***

General Obligation	14.2365 mills
Retirement System	0.9620 mills
Recreation	0.9999 mills
Act 298 Refuse Collection	1.6717 mills
Library Fund (Act 164)	0.9999 mills
Police Millage	<u>1.0000 mills</u>
Total	<u>19.8700 mills</u>

Program Revenues

Program revenues reported within the Statement of Activities include license and fees, ordinance fines and costs, bond forfeitures and other court costs, building, electrical and other permits, state shared revenue, state and federal grants, recreation rentals and fees, and 911 service fees.

Operating Revenues and Expenses

Operating revenues and expenses for the proprietary funds are those that result from providing services and producing and delivering goods and/or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and of the government's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:	Current (further classified by functions)
	Debt Service
	Capital Outlay
Proprietary Fund - By Operating and Nonoperating	

In the fund financial statements, governmental funds report expenditures of financial resources and proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 11 OF 34)

**Note 2 Reconciliation of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

Page 32 includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds". The details of this difference are as follows:

Bonds Payable	\$ 19,870,000
Notes Payable	236,926
Accrued Interest Payable	236,519
Capital Leases Payable	294,653
Compensated Absences	3,502,421
Deferred Charges - Unamortized Discount on Bonds Proceeds	(131,053)
Deferred Revenue - Noncurrent Financial Resources	(36,896)
Less Notes Payable and Capital Leases Payable in Internal Service Fund	(110,328)
Net Adjustment	<u>\$ 23,862,242</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital Outlay	\$ 2,078,282
Depreciation	(1,493,809)
Net Adjustment	<u>\$ 584,473</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this \$701,570 difference are as follows:

Debt Issued or Incurred:	
Capital Lease Financing	\$ (114,731)
Principal Repayments:	
General Obligation Debt	720,000
Capital Lease	39,686
Notes Payable	56,615
Net Adjustment	<u>\$ 701,570</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 12 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts**

**3.A. Deposits and Investments**

For additional descriptive information, see note 1.D.

**Deposits**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan.

The City has designated six banks for the deposits of its funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment of funds as listed above. The City of Wayne's deposits and investment policies are in accordance with statutory authority.

At year end, the deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities	Fiduciary Funds	Business-type Activities	Total Primary Government	Component Units
Cash and Cash Equivalents	\$ 4,298,470	\$ 3,818,390	\$ 13,689,364	\$ 21,806,224	\$ 2,008,677
Cash and Cash Equivalents - Restricted	--	--	274,069	274,069	--
Cash with Fiscal Agent	--	--	18,312	18,312	--
Investments	--	73,231,006	1,771,020	75,002,026	--
Total	<u>\$ 4,298,470</u>	<u>\$ 77,049,396</u>	<u>\$ 15,752,765</u>	<u>\$ 97,100,631</u>	<u>\$ 2,008,677</u>

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Neither State law nor the City's investment policy requires consideration of custodial credit risk.

As of June 30, 2007, the bank balance of the City deposits was \$18,286,608 of which \$500,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The carrying amount of deposits and the bank balance for the City of Wayne Downtown Development Authority, a discretely presented component unit, was \$1,917,420, of which \$100,000 was covered by federal depository insurance and \$1,817,420 was uninsured and uncollateralized.

The carrying amount of deposits and the bank balance for the City of Wayne Housing Commission, a discretely presented component unit was \$62,519, which was totally covered by federal depository insurance.

The carrying amount of deposits and the bank balance for the City of Wayne Parks and Recreation Foundation, a discretely presented component unit, was \$28,738, which was totally covered by federal depository insurance.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 13 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.A. Deposits and Investments - continued**

**Investments**

Investment pools are under the custody of the City Treasurer. Investing is performed in accordance with investment policies complying with State Statutes, the City Charter, and the City's Investment Policy. The City is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the day of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds and investment pools composed of investment vehicles that are legal for direct investment by local units of government in Michigan, and investment pools of financial institutions.

The City of Wayne, Michigan Employee Retirement System (ERS) contractually delegates investment management to investment managers who must invest in accordance with the asset limitations under Michigan Public Act 314 of 1965, as amended. These asset limitations cover domestic equities, mutual funds, annuity investment contracts and investment accounts of life insurance companies, fixed income obligations, real estate, certain state and local government obligations, and collective investment/pooled funds.

As of June 30, 2007, the City's investments were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Pooled Investment Fund:		
Mutual Funds	Not applicable	\$ 1,771,020
Non-Pooled Investments:		
Fiduciary Funds - Pension Trust Fund		
Common Stocks	Not applicable	41,158,487
Mutual Funds	Not applicable	30,442,988
Total Fiduciary Funds - Pension Trust Fund		71,601,475
Fiduciary Funds - Employee Health Care Fund		
U.S. Government Securities	08/15/07 - 06/01/37	287,975
Common Stocks	Not applicable	1,341,556
Total Fiduciary Funds - Employee Health Care Fund		1,629,531
Total Non-Pooled Investments		73,231,006
Total Investment		\$ 75,002,026

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy states investments must be diversified by security type and institution. With the exception of the U.S. Treasury securities and authorized investment pools. No more than 50 percent of the total investment portfolio will be invested in a single security type. At June 30, 2007, the City had under 5% of its investments in any single issuer.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 14 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.A. Deposits and Investments - continued**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. In addition to restricting commercial paper to a maturity of 270 days or less, the City may not invest its funds in any security maturing more than five years from the date of purchase. No more than 40 percent of the City's total funds may be placed in securities maturing in more than three years. The fiduciary funds do not follow the City's investment policy.

<u>Fiduciary Investment Types</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
United States Government Obligations	\$ 287,975	18.39 years

State law limits the City's investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations at the time of purchase. The City's investment policy limits investments to the safest types of securities. All financial institutions and broker/dealers must be pre-qualified to do business with the City. The City has no rated investment holdings at June 30, 2007.

**3.B. Accounts Receivable and Accounts Payable**

Accounts Receivable

Accounts receivable of the governmental activities as of year end for the City's individual major funds and non-major funds including the applicable allowance for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Major Street Fund</u>	<u>Local Street Fund</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total</u>
Receivables					
Taxes	\$ 914,254	\$ --	\$ --	\$ 44,091	\$ 958,345
Accounts	362,110	2,457	--	32,166	396,733
Intergovernmental	529,978	118,450	46,750	111,301	806,479
Land Contract	--	--	--	20,484	20,484
Gross Receivables	1,806,342	120,907	46,750	208,042	2,182,041
Less: Allowances for Uncollectibles	(446,571)	--	--	(26,925)	(473,496)
Net Accounts Receivable Governmental Activities	<u>\$ 1,359,771</u>	<u>\$ 120,907</u>	<u>\$ 46,750</u>	<u>\$ 181,117</u>	<u>\$ 1,708,545</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 15 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.B. Accounts Receivable and Accounts Payable - continued**

Accounts receivable of the business-type activities consists of:

	<u>Water and Sewer Fund</u>
Taxes Receivable	\$ 212,946
Customer Accounts	738,115
Gross Receivables	<u>\$ 951,061</u>

No allowance for doubtful accounts has been recorded because unpaid balances are applied to the tax roll each year.

Accounts payable of the governmental activities as of year end for the City's individual major funds and non-major funds is as follows:

	<u>General Fund</u>	<u>Major Street Fund</u>	<u>Local Street Fund</u>	<u>Nonmajor and Other Governmental Funds</u>	<u>Total</u>
Accounts Payable to Vendors	\$ 748,598	\$ 22,758	\$ 6,932	\$ 236,541	\$ 1,014,829
Accrued Salaries and Wages	218,219	--	--	7,493	225,712
Deposits	12,593	--	--	--	12,593
	<u>\$ 979,410</u>	<u>\$ 22,758</u>	<u>\$ 6,932</u>	<u>\$ 244,034</u>	<u>\$ 1,253,134</u>

Accounts payable of the business-type activities consists of:

	<u>Water and Sewer Fund</u>
Accounts Payable to Vendors	\$ 771,650
Due to Other Governmental Units	502,729
Retainage Payable	201,153
Accrued Salaries and Wages	949
Accrued Compensated Absences	9,116
	<u>\$ 1,485,597</u>



CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 16 OF 34)

**3.C. Capital Assets**

Capital asset activity for the year ended June 30, 2007, was as follows:

Primary Government

	Balance July 1, 2006	Additions	Disposals	Balance June 30, 2007
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 4,354,766	\$ --	\$ --	\$ 4,354,766
Construction-In-Progress	--	--	--	--
Total Capital Assets Not Being Depreciated	4,354,766	--	--	4,354,766
Capital Assets Being Depreciated:				
Buildings	36,439,968	70,197	--	36,510,165
Improvements	3,310,065	23,302	--	3,333,367
Machinery and Equipment	7,737,319	402,140	(865,812)	7,273,647
Infrastructure	18,903,166	1,763,233	--	20,666,399
Total Capital Assets Being Depreciated	66,390,518	2,258,872	(865,812)	67,783,578
Less Accumulated Depreciation:				
Buildings	(8,894,640)	(814,739)	--	(9,709,379)
Improvements	(1,296,542)	(159,187)	--	(1,455,729)
Machinery and Equipment	(5,572,310)	(452,464)	851,304	(5,173,470)
Infrastructure	(14,400,321)	(457,021)	--	(14,857,342)
Total Accumulated Depreciation	(30,163,813)	(1,883,411)	851,304	(31,195,920)
Total Capital Assets Being Depreciated, Net	36,226,705	375,461	(14,508)	36,587,658
Total Governmental Activities Capital Assets, Net	\$ 40,581,471	\$ 375,461	\$ (14,508)	\$ 40,942,424
	Balance July 1, 2006	Additions	Disposals	Balance June 30, 2007
Business-type Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	\$ 1,063,556	\$ 3,431,272	\$ (3,362,462)	\$ 1,132,366
Capital Assets Being Depreciated:				
Water and Sewer Mains	28,478,236	3,654,834	--	32,133,070
Meters	882,541	23,694	(3,317)	902,918
Equipment	460,644	--	--	460,644
Motor Vehicles	629,364	--	--	629,364
Total Capital Assets Being Depreciated	30,450,785	3,678,528	(3,317)	34,125,996
Less Accumulated Depreciation:				
Water and Sewer Mains	(7,446,357)	(573,768)	--	(8,020,125)
Meters	(457,528)	(41,401)	3,317	(495,612)
Equipment	(451,492)	(6,418)	--	(457,910)
Motor Vehicles	(530,521)	(39,638)	--	(570,159)
Total Accumulated Depreciation	(8,885,898)	(661,225)	3,317	(9,543,806)
Total Capital Assets Being Depreciated, Net	21,564,887	3,017,303	--	24,582,190
Total Business-Type Capital Assets, Net	\$ 22,628,443	\$ 6,448,575	\$ (3,362,462)	\$ 25,714,556

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 17 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.C. Capital Assets - continued**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 99,002
District Court	10,775
Public Safety	385,323
Highway and Streets	388,995
Sanitation	68,025
Recreation and Culture	541,689
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	389,602
Total Depreciation Expense	<u>\$ 1,883,411</u>
Business-type Activities:	
Water and Sewer	<u>\$ 661,225</u>

Major Discretely Presented Component Units:

Activity for the Downtown Development Authority for the year ended June 30, 2007, is as follows:

	Balance July 1, 2006	Additions	Disposals	Balance June 30, 2007
Capital Assets Not Being Depreciated:				
Land	\$ 1,405,182	\$ 93,266	\$ --	\$ 1,498,448
Capital Assets Being Depreciated:				
Buildings	2,003,235	--	--	2,003,235
Improvements	2,712,332	254,316	--	2,966,648
Machinery and Equipment	28,467	339,981	--	368,448
Infrastructure	2,749,717	874,754	--	3,624,471
Total Capital Assets Being Depreciated	<u>7,493,751</u>	<u>1,469,051</u>	<u>--</u>	<u>8,962,802</u>
Less Accumulated Depreciation:				
Buildings	(760,523)	(66,679)	--	(827,202)
Improvements	(1,005,972)	(99,986)	--	(1,105,958)
Machinery and Equipment	(9,621)	(11,471)	--	(21,092)
Infrastructure	(506,380)	(127,484)	--	(633,864)
Total Accumulated Depreciation	<u>(2,282,496)</u>	<u>(305,620)</u>	<u>--</u>	<u>(2,588,116)</u>
Total Capital Assets Being Depreciated, Net	<u>5,211,255</u>	<u>1,163,431</u>	<u>--</u>	<u>6,374,686</u>
Downtown Development Authority Capital Assets, Net	<u>\$ 6,616,437</u>	<u>\$ 1,256,697</u>	<u>\$ --</u>	<u>\$ 7,873,134</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 18 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.C. Capital Assets - continued**

Activity for the Wayne Housing Commission for the year ended December 31, 2006, was as follows:

	Balance January 1, 2006	Additions	Disposals	Balance December 31, 2006
Government Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 58,641	\$ --	\$ --	\$ 58,641
Capital Assets Being Depreciated:				
Buildings and Improvements	2,856,777	64,333	(338)	2,920,772
Furniture and Equipment - Dwelling	46,256	--	--	46,256
Furniture and Equipment - Admin.	65,528	226	--	65,754
Total Capital Assets Being Depreciated	2,968,561	64,559	(338)	3,032,782
Less Accumulated Depreciation	(2,182,200)	(103,602)	338	(2,285,464)
Total Capital Assets Being Depreciated, Net	786,361	(39,043)	--	747,318
Total Wayne Housing Commission Capital Assets, Net	\$ 845,002	\$ (39,043)	\$ --	\$ 805,959

**3.D. Capital Leases**

The City has entered into several lease agreements as lessee for financing the acquisition of fitness equipment, police equipment, public safety vehicles, and copying equipment. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired are as follows:

	Governmental Activities
Fitness Equipment	\$ 3,065
Police Equipment	70,222
Public Safety Vehicles	171,484
Public Service Equipment	154,000
Copying Equipment	22,925
	421,696
Less: Accumulated Depreciation	(49,327)
Net	\$ 372,369

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 19 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.D. Capital Leases - continued**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2007, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2008	\$ 127,460
2009	126,184
2010	64,370
2011	6,156
2012	637
	<u>324,807</u>
Less Amount Representing Interest	(30,154)
Present Value of Minimum Lease Payments	<u>\$ 294,653</u>

**3.E. Long-Term Debt**

General Obligation Bonds - The government issued general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 25-year serial bonds. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Governmental Activities:		
General Government	3.00% - 7.50%	\$ 19,870,000
Business-Type Activities:		
Proprietary - Water and Sewer System	2.00% - 5.25%	18,175,000
		<u>\$ 38,045,000</u>

Included in long-term debt is accrued compensated absences. The Risk Management Fund - Internal Service Fund is typically used to fund payouts of accumulated compensated absences. The funds for payment of the benefits are generated mostly through charges to the General Fund.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 20 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.E. Long-Term Debt - continued**

Annual debt service requirements to maturity for general obligation bonds, including interest of \$19,818,284 are as follows:

Fiscal Year Ending June 30.	Governmental Activities	Business-type Activities	Total
2008	\$ 1,696,349	\$ 1,278,632	\$ 2,974,981
2009	1,681,626	1,192,274	2,873,900
2010	1,782,475	1,200,800	2,983,275
2011	1,758,554	1,237,326	2,995,880
2012	1,586,723	1,232,235	2,818,958
2013 - 2017	7,943,423	6,568,893	14,512,316
2018 - 2022	7,088,386	5,390,138	12,478,524
2023 - 2027	5,243,162	5,706,875	10,950,037
2028 - 2032	613,500	4,661,913	5,275,413
Total	<u>\$ 29,394,198</u>	<u>\$ 28,469,086</u>	<u>\$ 57,863,284</u>

The City's general obligation bonds are segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities as follows:

**Governmental Activities:**

As of June 30, 2007, the governmental long-term debt of the financial reporting entity consisted of the following:

	Current Portion	Long-Term Debt
\$1,475,000 bond issue dated March 1, 1996 for the Aquatic Center and Senior Center. Interest rate from 5.25% to 5.35% with final maturity on October 1, 2010.	\$ 150,000	\$ 550,000
\$4,465,000 Refunding Bonds issue dated October 30, 1997. Interest rate from 4.65% to 5.25% with final maturity on October 1, 2019.	210,000	3,785,000
\$1,800,000 bond issue dated December 1, 1998 for the Community Center renovation. Interest rate from 4.5% to 4.9% with final maturity on October 1, 2018.	75,000	1,275,000
\$1,500,000 bond issue dated April 1, 2001 for the interim fire/DPW building. Interest rate from 4.20% to 5.25% with final maturity on October 1, 2020.	50,000	1,300,000
\$5,935,000 bond issue dated April 1, 2002 for the interim fire/DPW building (\$735,000) and for the new fire station (\$5,200,000). Interest rate from 4.5% to 7.5% with final maturity on October 1, 2026.	150,000	5,275,000
\$7,500,000 bond issue dated April 1, 2003 for the new police facility. Interest rate from 3.0% to 4.5% with a final maturity on October 1, 2027.	150,000	6,900,000
Total Governmental Activities General Obligation Bonds Payable	<u>\$ 785,000</u>	<u>\$ 19,085,000</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 21 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.E. Long-Term Debt - continued**

**Business-type Activities:**

At June 30, 2007, the long-term debt payable from the proprietary fund resources consisted of the following:

General Obligation Bonds:

\$225,796 bond issue dated September 28, 1995. Interest rate of 2.25% with final maturity on October 1, 2016.	\$ 15,000	\$ 135,000
\$604,829 bond issue dated June 26, 1997. Interest rate of 2.25% with final maturity on October 1, 2016.	30,000	290,000
\$2,720,000 bond issue dated November 13, 2003. Interest rate from 2.00% to 4.125% with final maturity on October 1, 2016.	200,000	2,050,000
\$7,750,000 bond issue dated July 1, 2004. Interest rate from 3.00% to 4.40% with final maturity on October 1, 2029.	125,000	3,400,000
\$7,500,000 bond issue dated August 7, 2006. Interest rate from 4.00% to 6.00% with final maturity on October 1, 2031.	100,000	7,400,000
\$4,430,000 bond issued dated January 31, 2007. Interest rate from 3.50% to 4.125% with final maturity on October 1, 2029.	75,000	4,355,000
Total Business-type Activities	<u>\$ 545,000</u>	<u>\$ 17,630,000</u>

**Equipment Notes Payable - Governmental Activities -**

	Current Portion	Long-Term Portion
\$95,723 equipment note payable dated May 1, 2002 for phone systems at an interest rate of 4.09%.	\$ 10,468	\$ --

**Other Note Payable - Governmental Activities -**

At June 30, 2007, the governmental long-term debt included a significant transaction between the primary government, City of Wayne, and its major discretely presented component unit, the Downtown Development Authority, for a public housing replacement project. This transaction resulted in a note payable to the Downtown Development Authority to be repaid from the Capital Project Fund as follows:

	Current Portion	Long-Term Portion
\$283,073 note payable dated June 30, 2006 for a public housing replacement project at a interest rate of 2.5%	56,615	169,843
Total Notes Payable	<u>\$ 67,083</u>	<u>\$ 169,843</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 22 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.E. Long-Term Debt - continued**

Annual debt service requirement to maturity on the notes payable, including interest of \$14,367, is as follows:

Fiscal Year Ending June 30,	<u>Total</u>
2008	\$ 10,682
2009	62,276
2010	60,861
2011	59,445
2012	58,029
	<u>\$ 251,293</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long term liabilities for them are included as part of the above totals for governmental activities. At year end \$2,382,220 of internal services funds compensated absences are included in the above amounts. The remaining portion of compensated absences reported in governmental activities have been historically liquidated by the governmental fund to which the employee is associated, primarily General Fund.

Major Component Unit -

At June 30, 2007, the long-term debt payable from the major component unit consisted of the following:  
Land Contracts Payable:

	<u>Current Portion</u>	<u>Long-Term Portion</u>
\$300,000 land contract payable dated December 17, 2004 for commercial property at an interest rate of 7.5%, maturing January 1, 2010	\$ 61,554	\$ 107,380
\$85,721 land contract payable dated November 7, 2005 for 33542 Morris Street at an interest rate of 4.5% maturing November 7, 2012	<u>11,605</u>	<u>56,774</u>
Total Land Contracts Payable	<u>\$ 73,159</u>	<u>\$ 164,154</u>

Annual debt service requirements to maturity on the land contracts payable, including interest of \$26,080, are as follows:

Fiscal Year Ending June 30,	<u>Total</u>
2008	\$ 86,581
2009	86,581
2010	56,526
2011	14,445
2012	14,445
2013-2017	4,815
Total	<u>\$ 263,393</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 23 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.E. Long-Term Debt - continued**

The following is a summary of changes in long-term debt for the year ended June 30, 2007:

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007	Amount Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 20,590,000	\$ --	\$ (720,000)	\$ 19,870,000	\$ 785,000
Capital Lease	119,746	257,912	(83,005)	294,653	111,315
Notes Payable	342,851	--	(105,925)	236,926	67,083
Total Bonds and Notes Payable	21,052,597	257,912	(908,930)	20,401,579	963,398
Other Liabilities					
Accrued Compensated Absences	3,400,761	101,660	--	3,502,421	74,107
Total Governmental Activities					
Long Term Liabilities	\$ 24,453,358	\$ 359,572	\$ (908,930)	\$ 23,904,000	\$ 1,037,505
<b>Business-type Activities:</b>					
General Obligation Bonds	\$ 10,610,000	\$ 11,930,000	\$ (4,365,000)	\$ 18,175,000	\$ 545,000
Less: Amortization of Bond Discounts	(203,844)	(170,914)	22,040	(352,718)	--
	\$ 10,406,156	\$ 11,759,086	\$ (4,342,960)	\$ 17,822,282	\$ 545,000

Annual debt service requirements to maturity, including principal and interest for long-term debt as of June 30, 2007, are as follows:

Year Ended	Governmental Activities				Business-type Activities	
	General Obligation Bonds		Equipment Notes Payable		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 785,000	\$ 911,349	\$ 10,468	\$ 5,875	\$ 545,000	\$ 733,632
2009	810,000	871,626	56,615	4,246	475,000	717,274
2010	955,000	827,475	56,615	2,831	500,000	700,800
2011	980,000	778,554	56,614	1,415	555,000	682,326
2012	855,000	731,723	56,614	--	570,000	662,235
2013-2017	4,925,000	3,018,423	--	--	3,690,000	2,878,893
2018-2022	5,385,000	1,703,387	--	--	3,225,000	2,165,138
2023-2027	4,575,000	668,162	--	--	4,340,000	1,366,875
2028-2032	600,000	13,500	--	--	4,275,000	386,913
	<u>\$ 19,870,000</u>	<u>\$ 9,524,199</u>	<u>\$ 236,926</u>	<u>\$ 14,367</u>	<u>\$ 18,175,000</u>	<u>\$ 10,294,086</u>

**Defeased Debt**

On January 31, 2007, the City issued \$4,430,000 General Obligation Capital Improvement Refunding Bonds, Series 2007 with interest rates of from 3.5% through 4.125% for the purpose of advance refunding the 2004 General Obligation Capital Improvement bonds dated July 1, 2004, maturing in the years 2022 to 2029, inclusive, with interest rates of 4.5% to 5.25%. Proceeds from the advance refunding of \$4,183,081 (\$4,430,000 less a discount of \$96,797 and cost of \$150,122) along with \$101,537 from the Water and Sewer Fund were deposited in an irrevocable trust with an escrow agent to provide for all debt service payments from October 1, 2022 to October 1, 2029. As a result, \$4,025,000 of the bonds is considered to be defeased and the City has removed that liability from its accounts. This advance refunding will result in a reduction of Debt Service Requirement in the amount of \$226,894 and a net present value savings of \$111,161.



CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 24 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.F. Interfund Transactions and Balances**

Transfers

	Transfers <u>In</u>	Transfers <u>Out</u>
General Fund		
Local Street Fund	\$ --	\$ 50,000
Nonmajor Governmental	327,001	1,306,084
Internal Service Funds	--	50,000
Total General Fund	<u>327,001</u>	<u>1,406,084</u>
Major Street Fund		
Local Street Fund	--	410,348
Local Street Fund		
General Fund	50,000	--
Major Street Fund	410,348	--
Nonmajor Governmental	738	--
Total Local Street Fund	<u>461,086</u>	<u>--</u>
Nonmajor Governmental Funds		
General Fund	--	327,001
Local Street Fund	1,306,084	738
Nonmajor Governmental	1,078,532	1,078,532
Total Nonmajor Governmental Funds	<u>2,384,616</u>	<u>1,406,271</u>
Internal Service Funds		
General Fund	50,000	--
Internal Service Funds	164,282	164,282
Total Internal Service Funds	<u>214,282</u>	<u>164,282</u>
Total	<u>\$ 3,386,985</u>	<u>\$ 3,386,985</u>

An explanation of the significant interfund transactions follows:

The General Fund transferred \$868,946 to the Building Authority Fund to cover principal and interest payments on Building Authority bonds. The Building Authority in turn transferred the funds to the General Debt Service Funds to make the payments.

There were several transfers to the General Fund from Nonmajor Governmental Funds totaling \$327,001. The transfers were from the 911 Service Fund (\$124,834) which collects 911 fees from the State and remits same to the General Fund to cover police department costs for the service; from the Federal Grant Fund (\$151,051) to reimburse the General Fund for expenditures on Federal Grant Projects; and from the Community Development Block Grant Fund (\$51,116) to reimburse the General Fund for expenditures on Community Development Block Grant projects.

The Major Street Fund transferred \$410,348 to the Local Street Fund as an allowed reallocation of State revenue dedicated to highways and streets.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 25 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.G. Interfund Assets/Liabilities**

The composition of interfund balances in the fund financial statements as of June 30, 2007, is as follows:

**Due To/From Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities		
Major Funds		
General Fund	Non Major Governmental	\$ 52,946
Local Street Fund	Major Street Fund	29,613
Non Major Governmental	Non Major Governmental	200
Total Governmental Activities		82,759
Business Type Activities		
Internal Service Fund -		
DPW Services Fund	General Fund	8,240
DPW Services Fund	Major Street Fund	4,309
DPW Services Fund	Local Street Fund	7,384
DPW Services Fund	Nonmajor Governmental Fund - (Refuse Fund)	563
DPW Services Fund	Water and Sewer Fund	22,282
DPW Services Fund	DPW Equipment Rental Fund	3,016
Total Business Type Activities		45,794
		<u>\$ 128,553</u>

**Interfund Receivable/Payables:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities		
Major Funds		
General Fund	Nonmajor Governmental	\$ 33,786
General Fund	Business Type Activities	
	Internal Service Fund -	
	DPW Services Fund	127,805
		<u>\$ 161,591</u>

Due to/from other funds are related to payments in transit for goods or service provided through other funds. All interfund payables/receivables are generated from the pooled investment fund as short-term loans when there is a temporary lag in a particular funds cash.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 26 OF 34)

**Note 3 Detail Notes on Transaction Classes / Accounts - continued**

**3.H. Restricted Net Assets/Reserved Fund Balance**

Restricted Net Assets - Other Purposes

In the government-wide financial statements, the restricted net assets - other purposes on the Statement of Net Assets is as follows:

Governmental Activities	
Police Training Funds	\$ 40,751
COPS Grant Funds	83,547
Business-type Activities	<u>\$ 124,298</u>

Reserved fund balances in the fund financial statements - governmental funds are reserved for the following uses:

Reserve for: Prepaid Items	\$ 13,055
Police	124,298
Debt Service	34,826
Capital Projects	226,458
Cemetery Perpetual Care	315,818
	<u>\$ 714,455</u>

Reserved Fund Balance - Police

Michigan Law allows law enforcement agencies to retain proceeds from the seizure of contraband. The law further provides that these funds shall be used solely to enhance law enforcement efforts in this area.

When restricted resources are available for incurred expenditures, the City uses the restricted resources first. Only after restricted assets have been depleted, will the City utilize unrestricted assets.

**Note 4 Other Notes**

**4.A. Contract Commitments**

The City of Wayne has entered into contracts for the purchase, construction or renovation of various facilities as follows:

	<u>Contract</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
<u>Primary Government</u>			
Newburgh Bridge Replacement	\$ 273,097	\$ 260,134	\$ 12,963
2005 Concrete Repair and Replacement	227,412	216,810	10,602
Walking Trail (70%)	101,360	100,594	766
Cross Connection	44,784	38,564	6,220
CSO/PPC Program	220,000	189,089	30,911
Water and Sewer Bond Project	7,750,000	6,584,198	1,165,802
Water and Sewer Bond Project	1,295,300	330,255	965,045
Michigan Ave. - Heywood/Howe	652,938	305,485	347,453
	<u>\$ 10,564,891</u>	<u>\$ 8,025,129</u>	<u>\$ 2,539,762</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 27 OF 34)

**Note 4 Other Notes - continued**

**4.A. Contract Commitments - continued**

	<u>Contract</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
<u>Downtown Development Authority</u>			
<u>Major Component Unit</u>			
Walking Trail (30%)	\$ 43,440	\$ 43,111	\$ 329
Streetscape Phase IV	12,780	11,244	1,536
Michigan Avenue Tree Planting	229,473	225,873	3,600
2005 Sims Parking Lot	269,351	266,351	3,000
2006 Street Lighting	3,000	900	2,100
2007 Street Lighting	162,810	157,810	5,000
Mural	49,000	36,750	12,250
Michigan Ave. - Heywood/Howe	383,471	179,412	204,059
	<u>\$ 1,153,325</u>	<u>\$ 921,451</u>	<u>\$ 231,874</u>

**4.B. Risk Management - Insurance**

Description

The City's risk management activities are recorded in the Risk Management Internal Service Fund. The purpose of this fund is to administer property casualty and workers' compensation programs of the City. This fund accounts for the risk financing activities of the City but does not constitute a transfer of risk from the City.

For self-insured programs there have been no significant reductions in insurance coverage. Settlement amounts exceeding insurance coverage for the past three fiscal years are as follows:

<u>Year Ending</u>	<u>Excess</u>
<u>June 30,</u>	
2007	None
2006	None
2005	None

Claim costs are assumed within certain limits; beyond that reinsurance has been:

- (1) Property Casualty Claims - The City is an individual member of the Michigan Municipal Risk Management Authority, which is a self-insurance program for general liability and auto liability, motor vehicle physical damage and property loss claims. Coverage is on an occurrence basis. The program provides reinsurance, which is partially underwritten by the Authority itself, in the following amounts:

<u>Nature of Claim</u>	<u>Retention *</u>	<u>Limits of Reinsurance</u>
General and auto liability	\$75,000 per occurrence	\$15,000,000 per occurrence
Auto physical damage	\$15,000 each vehicle; \$30,000 any one occurrence	\$300,000 each vehicle; \$650,000 any one occurrence
Property	\$1,000 plus 10 percent of the next \$100,000	Replacement cost per location (Building and contents)

\* Retention amounts represent the dollar amount that the City pays before reinsurance coverage begins.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 28 OF 34)

**Note 4 Other Notes - continued**

**4.B. Risk Management - Insurance - continued**

In addition to losses retained, the City is responsible for certain legal defense costs. The City has elected to participate in the Authority's stop-loss program that limited the paid losses to \$75,000, to a maximum of \$260,000 for the year ending June 30, 2007.

The estimated liability for reported claims has been recorded in the Risk Management Internal Service Fund. Upon termination of the program, any amounts remaining on deposit after the Authority has settled all claims incurred prior to termination will be returned to the City.

Changes in the balance of claims liabilities for property casualty during the current and prior year are as follows:

	June 30, <u>2007</u>	June 30, <u>2006</u>
Beginning of Fiscal Year Liability	\$ 44,293	\$ 60,000
Current Year Claims and Changes in Estimates	(64,424)	(95,457)
Claim Payments	50,156	79,750
End of Fiscal Year Liability	<u>\$ 30,025</u>	<u>\$ 44,293</u>

(2) Worker's Compensation Claims - The City is an approved Self-Insurer by the State of Michigan Department of Labor. In accordance with State regulations, the City maintains a loss fund, hires a third party administrator and purchases reinsurance from an approved reinsurer. That policy provides the following excess indemnity coverage:

<u>Coverage</u>	<u>Retention</u>	<u>Limits or Reinsurance</u>
Specific	\$300,000 per occurrence	\$5,000,000 per occurrence
Aggregate	\$800,000 minimum @ 100%	\$5,000,000 total

The City has \$2,136,451 available to pay claims. It anticipates that \$262,650 will be paid for claims reported to date. The City is unable to estimate the liability for claims incurred but not reported. The liability for reported claims has been recorded in the Risk Management Internal Service Fund.

Changes in the balance of claims liabilities for workers compensation during the current and prior year are as follows:

	June 30, <u>2007</u>	June 30, <u>2006</u>
Beginning of Year Fiscal Liability	\$ 113,346	\$ 52,879
Current Year Claims and Changes in Estimates	149,304	60,467
End of Fiscal Year Liability	<u>\$ 262,650</u>	<u>\$ 113,346</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 29 OF 34)

**Note 4 Other Notes - continued**

**4.C. Contingent Liabilities - Lawsuits and Other**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**4.D. Joint Ventures**

- (1) Nankin Transit Commission - The City participates in the Nankin Transit Commission with the cities of Garden City, Inkster, and Westland. The Commission was created as an intergovernmental organization for the purpose of providing for the operation, management, financing, and planning of local and specialized transit services in the participants' areas. Under the terms of a purchase of service contract entered into between the Nankin Transit Commission and the Suburban Mobility Authority for Regional Transportation (SMART), SMART has agreed to provide, among other things, certain equipment, vehicles and technical assistance necessary to provide public transportation services within a specified area. Two members of the Board of Directors for the joint venture are appointed by each of the four participating governments. The Board of Directors is responsible for approving the annual budget. The operating budget is funded by contributions from each participating government as well as contributions from SMART, the State of Michigan and the Federal Government. The City's contribution is based on a per capita basis and totaled \$21,000 for the year ended June 30, 2007. The City of Wayne represents approximately 12% of the per capita base of this organization. The City has no investment in the assets, liabilities and fund equity of the Nankin Transit Commission.

Complete financial statements of the Nankin Transit Commission can be obtained at the entity's administrative office: Nankin Transit Commission, 37151 Marquette, Westland, MI 48185.

- (2) Central Wayne County Sanitation Authority - The City is a member of the Central Wayne County Sanitation Authority along with the cities of Dearborn Heights, Garden City, Inkster and Westland. The Authority was created as an intergovernmental organization for the purpose of establishing and operating sanitary waste disposal operations for the mutual advantage of the governments. One member of the Board of Directors for the joint venture is appointed by each government. The Board of Directors is responsible for approving the annual budget. The operating and debt requirements are funded by contributions from each participating government. The City of Wayne has no investment in the Authority but is required to cover 7.84% of the debt service charges on the outstanding revenue bonds.

Complete financial statements of the Central Wayne County Sanitation Authority can be obtained at the entity's administrative office: Central Wayne County Sanitation Authority, 3759 Commerce Court, Wayne, MI 48184.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 30 OF 34)

**Note 4 Other Notes - continued**

**4.E. Other Postemployment Benefits**

In addition to providing pension benefits, the City provides post employment health care to all employees who retire from the City as per contractual agreements for union employees and Council resolution for non-union employees. Currently 132 retirees meet eligibility requirements. Retirees, who began employment with the City prior to the hire date below, their spouses and any dependents under the age of nineteen are covered for health insurance after ten years of service. Exempt employees still have full coverage after ten years of service. For all other current employees who were hired after the hire date below, the City pays a percentage of the health insurance premium only, depending on the number of years the retiree worked for the City.

	Hire Date/ Employee Coverage	Spouse Coverage	Dependent Coverage
General and Supervisors	10/01/85	10/01/85	No Coverage
Court	10/01/85	No Coverage	No Coverage
Police (POAM) and Dispatch (ESD)	10/15/84	10/15/84	No Coverage
Command Officers (COAM)	10/15/84	10/15/84	07/01/06
Fire	07/01/85	07/01/85	No Coverage
TPOAM	11/01/85	11/01/85	07/01/07

All health insurance coverage is provided based on number of years of service. Current contracts provide for insurance premiums paid at 100%, 75%, and 50% based upon 25, 20, or 15 years of service. Dependent coverage is provided if an employee retired after the dates shown above.

Postemployment life insurance benefits are provided on a contractual basis; current contracts provide for retiree life insurance in the amount of \$8,000 with ten years of service.

The cost of retiree health care and life insurance benefits is paid by the retired lives medical coverage fund and totaled \$1,327,902 for the year ended June 30, 2007. These post employment benefits are funded by the City on a pay-as-you-go basis calculated at 15.0% of gross wages. The City recognizes the cost of other post employment benefits based on monthly premiums paid or payable at June 30, 2007.

**4.F. Pension Trust Fund**

Plan Description - The City of Wayne Public Employees Retirement System was established by the City Charter and is maintained as a single employer plan for the employees of the City of Wayne. The City Charter may be amended only by a vote of the electorate. The plan is administered as a single plan under which benefits are derived from both a defined benefit component and defined contribution component. The City of Wayne contributes to the defined benefit portion of the plan and the City of Wayne employees contribute to the defined contribution portion of the plan. The City obtained a favorable determination letter from the Internal Revenue Service establishing qualification for plan years beginning after December 31, 1987. A stand alone financial report is not issued for the plan.

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 31 OF 34)

**Note 4 Other Notes - continued**

**4.F. Pension Trust Fund - continued**

Employee Coverage and Current Membership - Employee coverage is identical for both plans. Employees eligible for the plans include those in the classified service of the City, all administrative officers and employees of the District Court, excluding the current judge. The City's payroll covered by retirement was \$9,570,095 for employees in the defined contribution plan for the year ended June 30, 2007. The same payroll was used for the defined benefit plan. The City's total payroll was \$15,434,235. Current membership in the plans is comprised of the following:

<u>Group</u>	<u>Defined Contribution</u>	<u>Defined Benefit</u>
Retirees and Beneficiaries		
Currently Receiving Benefits	<u>9</u>	<u>142</u>
Active Employees	<u>160</u>	<u>160</u>
Terminated Plan Members Entitled to But Not Receiving Benefits	<u>7</u>	<u>7</u>

Benefits and Eligibility - The City of Wayne City Charter provides retirement benefits as well as death and disability benefits. Retirement benefits vest after 10 years of credited service and increase by 2% each July 1, beginning 12 months after retirement, and continue for a total of ten years. For General, Police, Fire, Command, Court, and Emergency Services Dispatchers, these 2% increases are on a compounded basis. For Supervisors, and Exempt, these 2% increases are compounded for 15 years. For employees retired after December 31, 1999, cost-of-living adjustments based on the CPI will be compounded up to 2% once the original retirement allowance increases are exhausted.

General employees are eligible for retirement at age 55 with 10 years of service. (Supervisors, TPOAM, and Court employees are eligible for retirement with 30 years of services regardless of age.) Police and Fire employees are eligible for retirement at age 50 with 10 years of service ( 25 years of service regardless of age)

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The City of Wayne Pension Trust Fund financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Equity securities are reported at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Realized gains and losses on sales and exchanges of securities are recognized on the transaction date. No investment, other than U.S. Government and U.S. Government Guaranteed Obligations, represent more than 5 percent of the plan's net assets available for benefits.



CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 32 OF 34)

**Note 4 Other Notes - continued**

**4.F. Pension Trust Fund - continued**

Contributions and Reserves - Covered employees are required to contribute 7% of their gross salary to the defined contribution plan. If an employee leaves covered employment or dies before 10 years of credited service, accumulated employee contributions plus related investment earnings are refunded to the employee or designated beneficiary. The City is required to contribute amounts to the defined benefit plan necessary to finance the coverage of its employees. The City's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The costs of administering the pension plan are financed by investment earnings

Annual Pension Cost

For the year ended June 30, 2007, the City's annual pension cost of \$2,321,391 was equal to the City's required and actual contributions. The annual required contribution was determined as part of an actuarial valuation at June 30, 2005, using the entry age actuarial cost method. The actuarial assumptions included (a) an investment rate of return of 7.5%, (b) projected salary increases of 4.0% to 7.8%, (c) an inflation rate of 4.0%, and (d) a cost of living adjustment of 2% each July 1, after twelve months of retirement (AFSCME/DPW, Court, Emergency Service, Dispatchers, Exempt, Fire, General, Police and Command receive unlimited increases.) The unfunded actuarial liability, if any, is being amortized as a level percent of payroll for a remaining period of 25 years open.

Three year trend information:

<u>Plan Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (NPO)</u>
June 30, 2007	\$ 2,354,296	99%	\$ --
June 30, 2006	\$ 2,023,320	100%	\$ --
June 30, 2005	\$ 1,717,919	100%	\$ --

Financial statements of the Pension Trust Fund and other post employment benefits for the year ended June 30, 2007 are as follows:

STATEMENT OF NET ASSETS

<u>ASSETS</u>	<u>Pension Trust Fund</u>	<u>Public Employee Health Care</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 3,258,156	\$ 185,005	\$ 3,443,161
Investments, at Fair Value			
Mutual Funds	30,442,988	--	30,442,988
United States Government Obligations	--	287,975	287,975
Common Stock	41,158,487	1,341,556	42,500,043
Total Investments	71,601,475	1,629,531	73,231,006
Accounts Receivable	1,169	--	1,169
Interest/Dividend Receivable	79,988	--	79,988
Total Assets	\$ 74,940,788	\$ 1,814,536	\$ 76,755,324

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 33 OF 34)

Note 4 Other Notes - continued

4.F. Pension Trust Fund - continued

STATEMENT OF NET ASSETS

	Pension Trust Fund	Public Employee Health Care	Total
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 49,856	\$ --	\$ 49,856
Fund Balances:			
Reserve for:			
General Employee Contributions	4,848,882	--	4,848,882
Police and Fire Employees Contributions	4,282,776	--	4,282,776
Employer Contributions - General Employees	24,086,356	--	24,086,356
Employer Contributions - Police and Fire Employees	31,672,949	--	31,672,949
Member Annuity	96,381	--	96,381
Retirement Benefit Payments	9,903,588	--	9,903,588
Health Care Payments	--	1,814,536	1,814,536
Total Reserved Fund Balances	<u>74,890,932</u>	<u>1,814,536</u>	<u>76,705,468</u>
Total Liabilities and Fund Balances	<u>\$ 74,940,788</u>	<u>\$ 1,814,536</u>	<u>\$ 76,755,324</u>

STATEMENT OF CHANGES IN NET ASSETS

	Pension Trust Fund	Public Employee Health Care	Total
Additions:			
Contributions:			
Employer	\$ 2,321,391	\$ 50,000	\$ 2,371,391
Employee	669,907	--	669,907
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investments	9,439,782	226,959	9,666,741
Interest and Dividends	947,421	40,901	988,322
Investment Administration Fees	(468,682)	(15,137)	(483,819)
Total Additions	<u>12,909,819</u>	<u>302,723</u>	<u>13,212,542</u>
Deductions:			
Benefits	(4,115,063)	--	(4,115,063)
Refunds	(41,492)	--	(41,492)
Total Deductions	<u>(4,156,555)</u>	<u>--</u>	<u>(4,156,555)</u>
Net Change in Net Assets	<u>8,753,264</u>	<u>302,723</u>	<u>9,055,987</u>
Net Assets at Beginning of Year	<u>66,137,668</u>	<u>1,511,813</u>	<u>67,649,481</u>
Net Assets at End of Year	<u>\$ 74,890,932</u>	<u>\$ 1,814,536</u>	<u>\$ 76,705,468</u>

CITY OF WAYNE, MICHIGAN  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007  
(PAGE 34 OF 34)

**Note 4 Other Notes - continued**

**4.G. Special Revenue Funds - Fund Deficits**

The Community Development Block Grant Fund is reporting a deficit in fund balance of \$18,577 at year end. The Federal Grant Fund is reporting a deficit in fund balance of \$13,333 at year end. These deficits represent federal grant funding under expenditure reimbursement programs through Community Development Block Grant and the U.S. Department of Justice. Therefore, expenditures are reported prior to related receipts to reimburse those expenditures. As a special revenue fund, these funds must follow the modified accrual basis which requires that revenue not be reported until measurable and available. The fund deficit represents expenditures made but not reimbursed within sixty days after year end. However, the reimbursement will be received at some later date; therefore, eliminating the fund deficit.

The Road Program Fund is a new fund established this year for purposes of reporting a special millage that begins with the 2007 tax roll. This fund is reporting a fund deficit of \$368 at year end for some initial costs. This fund deficit was eliminated once tax collections began on July 1, 2007.

**4.H. New Accounting Pronouncements**

In 2004, Governmental Accounting Standards Board issued Statements No. 43 and 45, Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans. These statements establish new financial reporting requirements for post employment benefit plans. The new pronouncements will require the City to recognize the cost of providing retiree benefits for the remaining life span of retired employees. The City is required to implement these standards for the fiscal year ended June 30, 2008. The City has not yet determined the full impact of these new standards.

**4.I. Restatement of Net Assets/Fund Balance**

Beginning net assets of Governmental Activities have been rested by \$7 to correct a rounding difference related to capital assets.

The City received clarification from the Government Finance Officers Association in regards to the reporting of accrued compensated absences as prescribed in Governmental Accounting Standards Board Statement #34 and Interpretation #6. Governmental funds should report a liability for accrued compensated absences only in connection with employees terminated as of the financial statement date. Previously, the City reported a liability for the portion of compensated absences expected to be paid with expendable available financial resources, that is, within sixty days after the fiscal year end. The City has restated prior year fund balance of the governmental funds to remove the liability for accrued compensated absences not related to employees terminated as of the last day of the fiscal year.

The Wayne Housing Commission, a nonmajor discretely presented component unit has restated beginning net assets for a reduction of \$3,950 related to reclassification of prepaid rent previously reported as revenue.

CITY OF WAYNE, MICHIGAN  
DEFINED BENEFIT TRUST TREND INFORMATION  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2007

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/97	\$ 49,603,580	\$ 43,146,527	\$ (6,457,053)	115.0%	\$ 6,367,334	\$ (101.4%)
6/30/98	\$ 55,811,637	\$ 45,652,814	\$ (10,158,823)	122.3%	\$ 6,731,032	\$ (150.9%)
6/30/99	\$ 61,862,644	\$ 55,015,368	\$ (6,847,376)	112.4%	\$ 7,310,710	\$ (93.7%)
6/30/00	\$ 66,040,097	\$ 57,649,490	\$ (8,390,607)	114.6%	\$ 7,508,589	\$ (111.7%)
6/30/01	\$ 67,427,370	\$ 61,115,637	\$ (6,311,733)	110.3%	\$ 8,053,440	\$ (78.4%)
6/30/02	\$ 65,484,056	\$ 64,685,164	\$ (798,892)	101.2%	\$ 8,769,333	\$ (9.1%)
6/30/03	\$ 64,696,561	\$ 66,992,770	\$ 2,296,209	96.6%	\$ 8,430,533	\$ 27.2%
6/30/04	\$ 64,146,672	\$ 69,998,423	\$ 5,851,751	91.6%	\$ 8,483,778	\$ 69.0%
6/30/05	\$ 64,583,868	\$ 74,094,644	\$ 9,510,776	87.2%	\$ 9,096,026	\$ 104.6%
6/30/06	\$ 65,300,288	\$ 80,797,903	\$ 15,497,615	80.8%	\$ 9,871,101	\$ 157.0%

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended	Annual Required Contribution	Percentage Contributed
6/30/97	\$ 863,244	100%
6/30/98	\$ 658,282	100%
6/30/99	\$ 641,304	100%
6/30/00	\$ 547,954	100%
6/30/01	\$ 787,284	100%
6/30/02	\$ 848,825	100%
6/30/03	\$ 1,014,194	100%
6/30/04	\$ 1,315,422	100%
6/30/05	\$ 1,682,747	100%
6/30/06	\$ 2,210,555	100%

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 8,147,769	\$ 8,067,560	\$ 8,081,100	\$ 13,540
Licenses and Permits	422,950	372,829	353,982	(18,847)
Intergovernmental	2,353,378	2,344,934	2,354,616	9,682
Charges for Services and Sales	2,082,048	2,118,629	2,132,161	13,532
Fines and Forfeits	582,000	586,800	604,832	18,032
Interest and Rents	342,700	642,829	494,047	(148,782)
Other Revenue	5,361,675	5,770,946	5,774,908	3,962
Total Revenues	19,292,520	19,904,527	19,795,646	(108,881)
Expenditures:				
Current:				
General Government	2,640,959	2,699,901	2,696,170	3,731
District Court	941,261	958,447	982,044	(23,597)
Public Safety	9,341,810	9,303,312	9,315,583	(12,271)
Public Services	1,993,695	1,916,574	1,876,321	40,253
Recreation and Culture	3,479,323	3,433,113	3,463,466	(30,353)
Capital Outlay	61,667	467,073	200,806	266,267
Total Expenditures	18,458,715	18,778,420	18,534,390	244,030
Excess of Revenues Over Expenditures	833,805	1,126,107	1,261,256	135,149
Other Financing Sources/(Uses):				
Financing Proceeds	110,000	70,222	93,147	22,925
Transfers from:				
Major Street Fund	15,000	--	--	--
Local Street Fund	18,000	--	--	--
911 Service Fund	110,000	120,000	124,834	4,834
Federal Grant Fund	145,120	146,741	151,051	4,310
Community Development Block Grant Fund	48,700	48,700	51,116	2,416
Water Supply and Sewage Disposal Fund	105,000	--	--	--
Trust and Agency Fund	13,000	--	--	--
Transfers to:				
Local Street Fund	(50,000)	(50,000)	(50,000)	--
General Debt Service Fund	(437,138)	(437,138)	(437,138)	--
General Projects Fund	(1,500)	(1,500)	--	1,500
Building Authority Fund	(869,297)	(869,297)	(868,946)	351
Risk Management Fund	(50,000)	(50,000)	(50,000)	--
Cemetery Perpetual Care Permanent Fund	(2,920)	(8,050)	--	8,050
Transfer from Component Units:				
Downtown Development Authority	67,000	--	--	--
Proceeds from Sale of Capital Assets	--	--	698	698
Total Other Financing Sources/(Uses)	(779,035)	(1,030,322)	(985,238)	45,084
Net Change in Fund Balance	54,770	95,785	276,018	180,233
Fund Balance at Beginning of Year	1,577,317	1,577,317	1,577,317	--
Restatement for Accrued Compensated Absences	--	--	335,060	335,060
Fund Balance at Beginning of Year, Restated	1,577,317	1,577,317	1,912,377	335,060
Fund Balance at End of Year	\$ 1,632,087	\$ 1,673,102	\$ 2,188,395	\$ 515,293

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007  
MOTOR VEHICLE HIGHWAY FUND - MAJOR STREET AND TRUNKLINE FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental Revenues:				
Weight and Gas Tax	\$ 765,622	\$ 710,000	\$ 721,390	\$ 11,390
Trunkline Maintenance	64,961	27,087	26,809	(278)
Interest	1,000	14,500	15,853	1,353
Other Revenue	219,250	1,810,452	1,744,212	(66,240)
Total Revenues	<u>1,050,833</u>	<u>2,562,039</u>	<u>2,508,264</u>	<u>(53,775)</u>
Expenditures:				
Current:				
Routine Maintenance	239,706	165,517	166,062	(545)
Traffic Service	71,288	57,595	53,944	3,651
Snow and Ice Removal	126,739	76,054	76,054	--
Trunkline	85,570	31,641	25,073	6,568
Capital Outlay	1,516,250	1,768,424	1,744,212	24,212
Total Expenditures	<u>2,039,553</u>	<u>2,099,231</u>	<u>2,065,345</u>	<u>33,886</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(988,720)</u>	<u>462,808</u>	<u>442,919</u>	<u>(19,889)</u>
Other Financing Sources/(Uses):				
Transfers from:				
Federal Grants	1,277,000	--	--	--
Transfers to:				
Local Street Fund	(421,406)	(407,500)	(410,348)	(2,848)
Total Other Financing Sources/(Uses)	<u>855,594</u>	<u>(407,500)</u>	<u>(410,348)</u>	<u>(2,848)</u>
Net Change in Fund Balance	<u>(133,126)</u>	<u>55,308</u>	<u>32,571</u>	<u>(22,737)</u>
Fund Balance at Beginning of Year	<u>413,455</u>	<u>309,356</u>	<u>309,356</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 280,329</u>	<u>\$ 364,664</u>	<u>\$ 341,927</u>	<u>\$ (22,737)</u>

MOTOR VEHICLE HIGHWAY FUND - LOCAL STREET FUND

Revenues:				
Intergovernmental Revenues:				
Weight and Gas Tax	\$ 302,000	\$ 284,700	\$ 284,711	\$ 11
Interest	1,000	19,350	21,001	1,651
Total Revenues	<u>303,000</u>	<u>304,050</u>	<u>305,712</u>	<u>1,662</u>
Expenditures:				
Current:				
Routine Maintenance	531,832	588,426	541,746	46,680
Traffic Service	31,416	31,410	23,787	7,623
Snow and Ice Removal	115,359	61,621	61,621	--
Capital Outlay	100,000	13,000	19,021	(6,021)
Total Expenditures	<u>778,607</u>	<u>694,457</u>	<u>646,175</u>	<u>48,282</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(475,607)</u>	<u>(390,407)</u>	<u>(340,463)</u>	<u>49,944</u>
Other Financing Sources:				
Transfers from:				
General Fund	50,000	50,000	50,000	--
Major Street Fund	421,406	407,500	410,348	2,848
Federal Grant Fund	--	738	738	--
Total Other Financing Sources	<u>471,406</u>	<u>458,238</u>	<u>461,086</u>	<u>2,848</u>
Net Change in Fund Balance	<u>(4,201)</u>	<u>67,831</u>	<u>120,623</u>	<u>52,792</u>
Fund Balance at Beginning of Year	<u>409,512</u>	<u>409,512</u>	<u>409,512</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 405,311</u>	<u>\$ 477,343</u>	<u>\$ 530,135</u>	<u>\$ 52,792</u>

CITY OF WAYNE, MICHIGAN  
FOOTNOTES TO REQUIRED  
SUPPLEMENTARY INFORMATION  
JUNE 30, 2007

**Legal Compliance - Budgets - Accounting and Reporting**

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund and ten special revenue funds (Major Street Fund, Local Street Fund, Refuse Collection and Disposal Fund, Metro Act Fund, Public Improvement Fund, 911 Service Fund, Vehicle Forfeiture Fund, Drug Enforcement Fund, Federal Grant Fund, and Library Operations Fund.

Functional activity (i.e. general government, district court, public safety, etc.,) is the legal level of control at which expenditures may not legally exceed appropriations for the general fund budget. Total expenditures is the legal level of control for all special revenue funds.

The City is legally subject to the budgetary control requirement of Michigan Public Act (P.A.) 2 of 1978, as amended. The following is a summary of the requirements of this Act.

- a. Budgets must be adopted for the General Fund and Special Revenue Funds.
- b. The budgets must be balanced.
- c. The budgets must be amended when necessary.
- d. Public hearings must be held before budget adoptions.
- e. Expenditures cannot exceed budget appropriations.
- f. Expenditures must be authorized by a budget before being incurred.

The City adopts its budget by functional activity which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- (i) At the second regular meeting in April, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes the proposed expenditures and the means of financing them, for the General Fund and Special Revenue Funds. The budgets are adopted on a basis consistent with generally accepted accounting principles.
- (ii) Public hearings are conducted to obtain taxpayer comments.
- (iii) At the second regular meeting in May, the General Fund and Special Revenue budgets are legally enacted through passage of a resolution by the City Council. The budgeting technique groups various departments into activities by function of service.
- (iv) After the budget has been adopted no money can be drawn from the treasury of the City, nor can any obligation for the expenditure of money be incurred except pursuant to the budget appropriation.
- (v) Formal budgetary integration is employed as a management control device during the year for all budgetary funds.
- (vi) The Finance Director is authorized to make budgetary transfers within appropriation centers. The City Manager is authorized to make budgetary transfers between appropriation centers as long as no appropriation center is increased by more than 2.5%. All other transfers between appropriation centers may be made only by further action of the City Council pursuant to the provisions of the Michigan Uniform Accounting and Budgeting Act.

CITY OF WAYNE, MICHIGAN  
FOOTNOTES TO REQUIRED  
SUPPLEMENTARY INFORMATION  
JUNE 30, 2007

**Legal Compliance - Budgets - Accounting and Reporting** *(continued)*

(vii) The original budget was amended during the year. Budgetary comparison schedules for the major governmental funds are presented in the Supplemental Section as Required Supplementary Information.

For the year ended June 30, 2007, expenditures and transfers exceeded appropriations for the following functional activities:

Functional Activity	Original Budget	Final Budget	Actual	Expenditures and Transfers In Excess of Appropriations
<u>General Fund</u>				
Expenditures:				
District Court	\$ 941,261	\$ 958,447	\$ 982,044	\$ 23,597
Public Safety	\$ 9,341,810	\$ 9,303,312	\$ 9,315,583	\$ 12,271
Recreation and Culture	\$ 3,479,323	\$ 3,433,113	\$ 3,463,466	\$ 30,353
<u>Major Street and Trunkline Fund</u>				
Routine Maintenance	\$ 239,706	\$ 165,517	\$ 166,062	\$ 545
Operating Transfers to:				
Local Street Fund	\$ 421,406	\$ 407,500	\$ 410,348	\$ 2,848
<u>Local Street Fund</u>				
Capital Outlay	\$ 100,000	\$ 13,000	\$ 19,021	\$ 6,021



CITY OF WAYNE, MICHIGAN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2007

	Special Revenue	Debt Service	Capital Projects	Permanent Fund	Total
<u>ASSETS</u>					
Assets:					
Cash and Cash Equivalents	\$ 910,619	\$ 34,826	\$ 529,043	\$ 316,353	\$ 1,790,841
Receivables:					
Accounts	31,984	--	125	57	32,166
Taxes Receivable	16,225	941	--	--	17,166
Intergovernmental	111,301	--	--	--	111,301
Land Contracts	--	--	20,484	--	20,484
Due from Other Funds	200	--	--	--	200
Total Assets	<u>\$ 1,070,329</u>	<u>\$ 35,767</u>	<u>\$ 549,652</u>	<u>\$ 316,410</u>	<u>\$ 1,972,158</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 229,774	\$ --	\$ 6,175	\$ 592	\$ 236,541
Due to Other Funds	53,709	--	--	--	53,709
Interfund Payable	33,786	--	--	--	33,786
Accrued Salaries and Wages	7,493	--	--	--	7,493
Deferred Revenue	80,548	941	34,137	--	115,626
Total Liabilities	<u>405,310</u>	<u>941</u>	<u>40,312</u>	<u>592</u>	<u>447,155</u>
Fund Balances:					
Reserved	--	34,826	226,458	315,818	577,102
Unreserved:					
Designated for Accrued Compensated Absences	20,085	--	--	--	20,085
Unreserved, Undesignated	644,934	--	282,882	--	927,816
Total Fund Balances	<u>665,019</u>	<u>34,826</u>	<u>509,340</u>	<u>315,818</u>	<u>1,525,003</u>
Total Liabilities and Fund Balances	<u>\$ 1,070,329</u>	<u>\$ 35,767</u>	<u>\$ 549,652</u>	<u>\$ 316,410</u>	<u>\$ 1,972,158</u>

CITY OF WAYNE, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Special Revenue	Debt Service	Capital Projects	Permanent Fund	Total
<b>Revenues:</b>					
Taxes	\$ 1,769,913	\$ 12	\$ --	\$ --	\$ 1,769,925
Intergovernmental	478,760	--	--	--	478,760
Charges for Services	46,194	--	--	15,422	61,616
Interest and Rents	57,641	--	30,811	--	88,452
Other	289,654	--	201,363	--	491,017
<b>Total Revenues</b>	<b>2,642,162</b>	<b>12</b>	<b>232,174</b>	<b>15,422</b>	<b>2,889,770</b>
<b>Expenditures:</b>					
Current:					
General Government	--	--	120,257	9,134	129,391
Public Safety	24,672	--	--	--	24,672
Public Works	1,014,209	--	--	--	1,014,209
Community and Economic Development	84,557	--	--	--	84,557
Recreation and Culture	846,037	--	--	--	846,037
Capital Outlay	25,714	--	88,529	--	114,243
Debt Service:					
Principal	--	720,000	--	--	720,000
Interest and Paying Agent Fees	--	949,833	--	--	949,833
<b>Total Expenditures</b>	<b>1,995,189</b>	<b>1,669,833</b>	<b>208,786</b>	<b>9,134</b>	<b>3,882,942</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>646,973</b>	<b>(1,669,821)</b>	<b>23,388</b>	<b>6,288</b>	<b>(993,172)</b>
<b>Other Financing Sources/(Uses):</b>					
Issuance of Debt - Capital Lease	21,584	--	--	--	21,584
Transfers from Other Funds	200	1,495,938	888,478	--	2,384,616
Transfers to Other Funds	(347,471)	--	(1,058,800)	--	(1,406,271)
Proceeds from Sale of Capital Assets	--	--	4,370	--	4,370
<b>Total Other Financing Sources/(Uses)</b>	<b>(325,687)</b>	<b>1,495,938</b>	<b>(165,952)</b>	<b>--</b>	<b>1,004,299</b>
<b>Net Change in Fund Balance</b>	<b>321,286</b>	<b>(173,883)</b>	<b>(142,564)</b>	<b>6,288</b>	<b>11,127</b>
Fund Balance at Beginning of Year	340,415	208,709	651,904	309,530	1,510,558
Restatement for Accrued Compensated Absences	3,318	--	--	--	3,318
Fund Balance at Beginning of Year - Restated	343,733	208,709	651,904	309,530	1,513,876
<b>Fund Balance at End of Year</b>	<b>\$ 665,019</b>	<b>\$ 34,826</b>	<b>\$ 509,340</b>	<b>\$ 315,818</b>	<b>\$ 1,525,003</b>

CITY OF WAYNE, MICHIGAN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
JUNE 30, 2007

	Road Program Fund	Refuse Collection and Disposal Fund	METRO Act Fund	Special Assessment Fund  Public Improvement Fund
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ --	\$ 398,900	\$ 130,181	\$ 71,097
Receivables:				
Accounts	--	--	--	31,984
Taxes	--	10,124	--	--
Intergovernmental	--	--	--	--
Due from Other Funds	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 409,024</u>	<u>\$ 130,181</u>	<u>\$ 103,081</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts Payable	\$ 368	\$ 155,356	\$ --	\$ 1,664
Due to Other Funds	--	563	--	--
Interfund Payable	--	--	--	--
Accrued Salaries and Wages	--	--	--	--
Deferred Revenue	--	10,123	--	4,986
Total Liabilities	<u>368</u>	<u>166,042</u>	<u>--</u>	<u>6,650</u>
Fund Balances:				
Unreserved:				
Designated for Accrued Compensated Absences	--	--	--	--
Unreserved, Undesignated	(368)	242,982	130,181	96,431
	<u>(368)</u>	<u>242,982</u>	<u>130,181</u>	<u>96,431</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 409,024</u>	<u>\$ 130,181</u>	<u>\$ 103,081</u>

<u>911 Service Fund</u>	<u>Vehicle Forfeiture Fund</u>	<u>Drug Enforcement Fund</u>	<u>Federal Grant Fund</u>	<u>Library Operations Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Total</u>
\$ --	\$ 13,428	\$ 65,282	\$ --	\$ 202,789	\$ 28,942	\$ 910,619
--	--	--	--	--	--	31,984
--	--	--	--	6,101	--	16,225
23,364	--	750	29,782	23,619	33,786	111,301
--	--	--	--	200	--	200
<u>\$ 23,364</u>	<u>\$ 13,428</u>	<u>\$ 66,032</u>	<u>\$ 29,782</u>	<u>\$ 232,709</u>	<u>\$ 62,728</u>	<u>\$ 1,070,329</u>

\$ --	\$ 20	\$ 54	\$ --	\$ 70,798	\$ 1,514	\$ 229,774
23,364	--	--	29,782	--	--	53,709
--	--	--	--	--	33,786	33,786
--	--	--	--	7,493	--	7,493
--	--	--	13,333	6,101	46,005	80,548
<u>23,364</u>	<u>20</u>	<u>54</u>	<u>43,115</u>	<u>84,392</u>	<u>81,305</u>	<u>405,310</u>

--	--	--	--	20,085	--	20,085
--	13,408	65,978	(13,333)	128,232	(18,577)	644,934
--	<u>13,408</u>	<u>65,978</u>	<u>(13,333)</u>	<u>148,317</u>	<u>(18,577)</u>	<u>665,019</u>
<u>\$ 23,364</u>	<u>\$ 13,428</u>	<u>\$ 66,032</u>	<u>\$ 29,782</u>	<u>\$ 232,709</u>	<u>\$ 62,728</u>	<u>\$ 1,070,329</u>

CITY OF WAYNE, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

	Road Program Fund	Refuse Collection and Disposal Fund	METRO Act Fund	Special Assessment Fund  Public Improvement Fund
Revenues:				
Taxes	\$ --	\$ 1,107,497	\$ --	\$ --
Intergovernmental Revenues:				
Federal Grant/Entitlement	--	--	--	--
Other	--	--	--	--
Charges for Services	--	--	46,194	--
Interest and Rents	--	26,182	4,104	--
Other	--	--	--	47,627
Total Revenues	<u>--</u>	<u>1,133,679</u>	<u>50,298</u>	<u>47,627</u>
Expenditures:				
Current:				
Public Safety	--	--	--	--
Public Works	368	966,338	--	47,503
Community and Economic Development	--	--	--	--
Recreation and Culture	--	--	--	--
Capital Outlay	--	--	--	--
Total Expenditures	<u>368</u>	<u>966,338</u>	<u>--</u>	<u>47,503</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(368)</u>	<u>167,341</u>	<u>50,298</u>	<u>124</u>
Other Financing Sources/(Uses):				
Issuance of Debt - Capital Lease	--	--	--	--
Transfers from Other Funds	--	--	--	--
Transfers to Other Funds	--	--	--	--
Total Other Financing Sources/(Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	<u>(368)</u>	<u>167,341</u>	<u>50,298</u>	<u>124</u>
Fund Balances at Beginning of Year	--	75,641	79,883	96,307
Restatement for Accrued Compensated Absences	--	--	--	--
Fund Balance at Beginning of Year - Restated	<u>--</u>	<u>75,641</u>	<u>79,883</u>	<u>96,307</u>
Fund Balances at End of Year	<u>\$ (368)</u>	<u>\$ 242,982</u>	<u>\$ 130,181</u>	<u>\$ 96,431</u>

<u>911 Service Fund</u>	<u>Vehicle Forfeiture Fund</u>	<u>Drug Enforcement Fund</u>	<u>Federal Grant Fund</u>	<u>Library Operations Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Total</u>
\$ --	\$ --	\$ --	\$ --	\$ 662,416	\$ --	\$ 1,769,913
--	--	--	145,375	--	176,885	322,260
124,834	--	--	--	31,666	--	156,500
--	--	--	--	--	--	46,194
--	361	2,780	--	24,214	--	57,641
--	15,256	27,837	--	143,916	55,018	289,654
<u>124,834</u>	<u>15,617</u>	<u>30,617</u>	<u>145,375</u>	<u>862,212</u>	<u>231,903</u>	<u>2,642,162</u>
--	9,999	14,673	--	--	--	24,672
--	--	--	--	--	--	1,014,209
--	--	--	--	--	84,557	84,557
--	--	--	--	846,037	--	846,037
--	--	25,714	--	--	--	25,714
<u>--</u>	<u>9,999</u>	<u>40,387</u>	<u>--</u>	<u>846,037</u>	<u>84,557</u>	<u>1,995,189</u>
<u>124,834</u>	<u>5,618</u>	<u>(9,770)</u>	<u>145,375</u>	<u>16,175</u>	<u>147,346</u>	<u>646,973</u>
--	--	21,584	--	--	--	21,584
--	--	--	--	200	--	200
(124,834)	--	--	(151,989)	--	(70,648)	(347,471)
<u>(124,834)</u>	<u>--</u>	<u>21,584</u>	<u>(151,989)</u>	<u>200</u>	<u>(70,648)</u>	<u>(325,687)</u>
--	5,618	11,814	(6,614)	16,375	76,698	321,286
--	7,790	54,164	(6,719)	128,624	(95,275)	340,415
--	--	--	--	3,318	--	3,318
<u>--</u>	<u>7,790</u>	<u>54,164</u>	<u>(6,719)</u>	<u>131,942</u>	<u>(95,275)</u>	<u>343,733</u>
<u>\$ --</u>	<u>\$ 13,408</u>	<u>\$ 65,978</u>	<u>\$ (13,333)</u>	<u>\$ 148,317</u>	<u>\$ (18,577)</u>	<u>\$ 665,019</u>

CITY OF WAYNE, MICHIGAN  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 GENERAL DEBT SERVICE FUNDS  
JUNE 30, 2007

	1996 Senior/ Aquatic Centers	1997 Aquatic Center Refunding Bonds
<u>ASSETS</u>		
Cash and Cash Equivalents	\$           --	\$           --
Taxes Receivable	--	--
Total Assets	<u>\$           --</u>	<u>\$           --</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Deferred Revenue	\$           --	\$           --
Fund Balances:		
Reserve for Debt Service	--	--
Total Liabilities and Fund Balances	<u>\$           --</u>	<u>\$           --</u>

1998 Community Center <u>Renovation</u>	2001 DPW/ Interim <u>Fire Station</u>	2002 Fire <u>Station</u>	2003 Police <u>Facility</u>	<u>Total</u>
\$ --	\$ --	\$ --	\$ 34,826	\$ 34,826
--	--	--	941	941
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 35,767</u>	<u>\$ 35,767</u>
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 941</u>	<u>\$ 941</u>
--	--	--	34,826	34,826
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 35,767</u>	<u>\$ 35,767</u>



CITY OF WAYNE, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 GENERAL DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	1996 Senior/ Aquatic Centers	1997 Aquatic Center Refunding Bonds
Revenues:		
Taxes	\$           --	\$           --
Expenditures:		
Debt Service		
Principal	100,000	210,000
Interest and Fees	39,900	208,370
Total Expenditures	<u>139,900</u>	<u>418,370</u>
Deficiency of Revenues Under Expenditures	<u>(139,900)</u>	<u>(418,370)</u>
Other Financing Sources:		
Transfers from Other Funds:		
General Fund	--	--
Building Authority Fund	139,900	418,370
Total Other Financing Sources	<u>139,900</u>	<u>418,370</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>
Fund Balance at Beginning of Year	<u>--</u>	<u>--</u>
Fund Balance at End of Year	<u>\$           --</u>	<u>\$           --</u>

<u>1998 Community Center Renovation</u>	<u>2001 DPW/ Interim Fire Station</u>	<u>2002 Fire Station</u>	<u>2003 Police Facility</u>	<u>Total</u>
\$ --	\$ --	\$ (41)	\$ 53	\$ 12
75,000	50,000	135,000	150,000	720,000
66,475	67,788	280,162	287,138	949,833
<u>141,475</u>	<u>117,788</u>	<u>415,162</u>	<u>437,138</u>	<u>1,669,833</u>
<u>(141,475)</u>	<u>(117,788)</u>	<u>(415,203)</u>	<u>(437,085)</u>	<u>(1,669,821)</u>
--	--	--	437,138	437,138
141,475	117,788	241,267	--	1,058,800
<u>141,475</u>	<u>117,788</u>	<u>241,267</u>	<u>437,138</u>	<u>1,495,938</u>
--	--	(173,936)	53	(173,883)
--	--	173,936	34,773	208,709
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 34,826</u>	<u>\$ 34,826</u>

CITY OF WAYNE, MICHIGAN  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2007

	General Projects <u>Fund</u>	Building Authority <u>Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 529,043	\$ --	\$ 529,043
Receivables:			
Accounts	125	--	125
Land Contract	<u>20,484</u>	<u>--</u>	<u>20,484</u>
Total Assets	<u>\$ 549,652</u>	<u>\$ --</u>	<u>\$ 549,652</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 6,175	\$ --	\$ 6,175
Deferred Revenue	<u>34,137</u>	<u>--</u>	<u>34,137</u>
Total Liabilities	<u>40,312</u>	<u>--</u>	<u>40,312</u>
Fund Balances:			
Reserve for Note Payable	226,458	--	226,458
Unreserved, Undesignated	<u>282,882</u>	<u>--</u>	<u>282,882</u>
Total Fund Balances	<u>509,340</u>	<u>--</u>	<u>509,340</u>
Total Liabilities and Fund Balances	<u>\$ 549,652</u>	<u>\$ --</u>	<u>\$ 549,652</u>

CITY OF WAYNE, MICHIGAN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	General Projects Fund	Building Authority Fund	Total
Revenues:			
Interest	\$ 30,811	\$ --	\$ 30,811
Contributions	11,509	--	11,509
Other	--	189,854	189,854
Total Revenues	<u>42,320</u>	<u>189,854</u>	<u>232,174</u>
Expenditures:			
General Government	120,257	--	120,257
Capital Outlay	88,529	--	88,529
Total Expenditures	<u>208,786</u>	<u>--</u>	<u>208,786</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(166,466)</u>	<u>189,854</u>	<u>23,388</u>
Other Financing Sources/(Uses):			
Transfers from Other Funds:			
General Fund	--	868,946	868,946
Community Development Block Grant	19,532	--	19,532
Transfers to Other Funds:			
General Debt Service Fund	--	(1,058,800)	(1,058,800)
Sale of Capital Assets	4,370	--	4,370
Total Other Financing Sources/(Uses)	<u>23,902</u>	<u>(189,854)</u>	<u>(165,952)</u>
Net Change in Fund Balance	<u>(142,564)</u>	<u>--</u>	<u>(142,564)</u>
Fund Balance at Beginning of Year	<u>651,904</u>	<u>--</u>	<u>651,904</u>
Fund Balance at End of Year	<u>\$ 509,340</u>	<u>\$ --</u>	<u>\$ 509,340</u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
ROAD PROGRAM FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Expenditures:			
Current:			
Communications	\$ --	\$ 49	\$ (49)
Miscellaneous	--	319	(319)
Total Expenditures	<u>--</u>	<u>368</u>	<u>(368)</u>
Net Change in Fund Balance	<u>--</u>	<u>(368)</u>	<u>(368)</u>
Fund Balance at Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ (368)</u>	<u>\$ (368)</u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
REFUSE COLLECTION AND DISPOSAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 1,054,845	\$ 1,107,497	\$ 52,652
Interest	24,600	26,182	1,582
Other	--	--	--
Total Revenues	<u>1,079,445</u>	<u>1,133,679</u>	<u>54,234</u>
Expenditures:			
Salaries & Wages	60,457	59,356	1,101
Sanitation - Rubbish	826,128	857,619	(31,491)
Materials & Supplies	1,000	871	129
Transportation	40,000	36,692	3,308
Insurance & Bonds	6,600	6,600	--
Miscellaneous	--	5,200	(5,200)
Total Expenditures	<u>934,185</u>	<u>966,338</u>	<u>(32,153)</u>
Net Change in Fund Balance	<u>145,260</u>	<u>167,341</u>	<u>22,081</u>
Fund Balance at Beginning of Year	<u>75,641</u>	<u>75,641</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 220,901</u>	<u>\$ 242,982</u>	<u>\$ 22,081</u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
METRO ACT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$ 46,382	\$ 46,194	\$ (188)
Interest	3,700	4,104	404
Total Revenues	<u>50,082</u>	<u>50,298</u>	<u>216</u>
Fund Balance at Beginning of Year	<u>79,883</u>	<u>79,883</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 129,965</u>	<u>\$ 130,181</u>	<u>\$ 216</u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
SPECIAL ASSESSMENT FUND - PUBLIC IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Other	<u>\$ 50,056</u>	<u>\$ 47,627</u>	<u>\$ (2,429)</u>
Expenditures:			
Current			
Weed Control	3,000	4,925	(1,925)
Other Functions	<u>47,056</u>	<u>42,578</u>	<u>4,478</u>
Total Expenditures	<u>50,056</u>	<u>47,503</u>	<u>2,553</u>
Net Change in Fund Balance	<u>--</u>	<u>124</u>	<u>124</u>
Fund Balance at Beginning of Year	<u>96,307</u>	<u>96,307</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 96,307</u>	<u>\$ 96,431</u>	<u>\$ 124</u>



CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
911 SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental:			
Other	\$ 120,000	\$ 124,834	\$ 4,834
Other Financing Uses:			
Transfer to			
General Fund	(120,000)	(124,834)	(4,834)
Net Change in Fund Balance	--	--	--
Fund Balance at Beginning of Year	--	--	--
Fund Balance at End of Year	\$ --	\$ --	\$ --

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
VEHICLE FORFEITURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$ 225	\$ 361	\$ 136
Other	18,000	15,256	(2,744)
Total Revenues	<u>18,225</u>	<u>15,617</u>	<u>(2,608)</u>
Expenditures:			
Materials & Supplies	9,734	9,734	--
Contracted Services	75	--	75
Transportation	200	265	(65)
Miscellaneous Expense	350	--	350
Total Expenditures	<u>10,359</u>	<u>9,999</u>	<u>360</u>
Net Change in Fund Balance	<u>7,866</u>	<u>5,618</u>	<u>(2,248)</u>
Fund Balance at Beginning of Year	<u>7,790</u>	<u>7,790</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 15,656</u>	<u>\$ 13,408</u>	<u>\$ (2,248)</u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
DRUG LAW ENFORCEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Interest	\$ --	\$ 2,780	\$ 2,780
Other	33,500	27,837	(5,663)
Total Revenues	<u>33,500</u>	<u>30,617</u>	<u>(2,883)</u>
Expenditures:			
Materials & Supplies	2,500	963	1,537
Transportation	2,000	1,491	509
Miscellaneous Expense	4,700	12,194	(7,494)
Membership & Dues	100	25	75
Education and Training	1,000	--	1,000
Capital Outlay	9,100	25,714	(16,614)
Total Expenditures	<u>19,400</u>	<u>40,387</u>	<u>(20,987)</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>14,100</u>	<u>(9,770)</u>	<u>(23,870)</u>
Other Financing Sources/(Uses):			
Issuance of Debt - Capital Lease	--	21,584	21,584
Net Change in Fund Balance	<u>14,100</u>	<u>11,814</u>	<u>(2,286)</u>
Fund Balance at Beginning of Year	<u>54,164</u>	<u>54,164</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 68,264</u>	<u>\$ 65,978</u>	<u>\$ (2,286)</u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
FEDERAL GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental Revenue:			
Federal Grant	<u>\$ 168,976</u>	<u>\$ 145,375</u>	<u>\$ (23,601)</u>
Other Financing Uses:			
Transfer to:			
General Fund	(168,038)	(151,051)	16,987
Local Street Fund	(738)	(738)	--
Library Operations Fund	(200)	(200)	--
Total Other Financing Uses	<u>(168,976)</u>	<u>(151,989)</u>	<u>16,987</u>
Net Change in Fund Balance	<u>--</u>	<u>(6,614)</u>	<u>(6,614)</u>
Fund Balance at Beginning of Year	<u>(6,719)</u>	<u>(6,719)</u>	<u>--</u>
Fund Balance at End of Year	<u><u>\$ (6,719)</u></u>	<u><u>\$ (13,333)</u></u>	<u><u>\$ (6,614)</u></u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
LIBRARY OPERATIONS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 660,912	\$ 662,416	\$ 1,504
Intergovernmental Revenues:			
State Grant	37,442	31,666	(5,776)
Interest and Rents	22,152	24,214	2,062
Other	168,892	143,916	(24,976)
Total Revenues	<u>889,398</u>	<u>862,212</u>	<u>(27,186)</u>
Expenditures:			
Library	<u>869,263</u>	<u>846,037</u>	<u>23,226</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>20,135</u>	<u>16,175</u>	<u>(3,960)</u>
Other Financing Sources/(Uses):			
Transfer from:			
Federal Grant Fund	<u>--</u>	<u>200</u>	<u>200</u>
Net Change in Fund Balance	<u>20,135</u>	<u>16,375</u>	<u>(3,760)</u>
Fund Balance at Beginning of Year	128,624	128,624	--
Restatement for Accrued Compensated Absences	<u>--</u>	<u>3,318</u>	<u>3,318</u>
Fund Balance at Beginning of Year - Restated	<u>128,624</u>	<u>131,942</u>	<u>3,318</u>
Fund Balance at End of Year	<u>\$ 148,759</u>	<u>\$ 148,317</u>	<u>\$ (442)</u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budget</u>	<u>June 30, 2007 Actual</u>	<u>Cumulative to 6/30/2007</u>
<u>1991 Program Income</u>			
Revenues:			
Other	<u>\$ 82,446</u>	<u>\$ 55,018</u>	<u>\$ 55,018</u>
Expenditures:			
Housing Rehabilitation #91-31-PI-19	<u>82,446</u>	<u>55,018</u>	<u>55,018</u>
Excess of Revenue Over Expenditures	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<u>2004 Grant Year</u>			
Revenues:			
Federal	<u>\$ 211,000</u>	<u>\$ 39,114</u>	<u>\$ 211,000</u>
Expenditures:			
Housing Rehabilitation #04-31-14A 01	<u>50,000</u>	<u>--</u>	<u>2,106</u>
Community Housing Rehabilitation #04-31-14A 02	<u>70,900</u>	<u>--</u>	<u>118,794</u>
Total Expenditures	<u>120,900</u>	<u>--</u>	<u>120,900</u>
Excess of Revenue Over Expenditures	<u>90,100</u>	<u>39,114</u>	<u>90,100</u>
Other Financing Uses:			
Transfer to General Fund:			
Senior Services #04-31-05A	<u>(16,000)</u>	<u>--</u>	<u>(16,000)</u>
Code Enforcement #04-31-15	<u>(18,000)</u>	<u>--</u>	<u>(18,000)</u>
Administration #04-31-21A	<u>(16,100)</u>	<u>--</u>	<u>(16,100)</u>
Transfer to Capital Projects Fund:			
Recreation - Sue Winn Playground #04-31-03F	<u>(40,000)</u>	<u>--</u>	<u>(40,000)</u>
Total Other Financing Uses	<u>(90,100)</u>	<u>--</u>	<u>(90,100)</u>
Net Change in Fund Balance	<u>\$ --</u>	<u>\$ 39,114</u>	<u>\$ --</u>

CITY OF WAYNE, MICHIGAN  
SPECIAL REVENUE FUND  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

<u>2005 Grant Year</u>	<u>Budget</u>	<u>June 30, 2007 Actual</u>	<u>Cumulative to 6/30/2007</u>
Revenues:			
Federal	\$ 192,000	\$ 86,115	\$ 192,000
Expenditures:			
Housing Rehabilitation			
#05-31-14A 01	50,000	--	50,000
Community Housing Rehabilitation			
#05-31-14A 02	31,800	20,016	31,800
Total Expenditures	81,800	20,016	81,800
Excess of Revenues Over Expenditures	110,200	66,099	110,200
Other Financing Uses:			
Transfer to General Fund:			
Senior Services			
#05-31-05A	(20,000)	(430)	(20,000)
Code Enforcement			
#05-31-15	(25,000)	(9,508)	(25,000)
Administration			
#05-31-21A	(14,200)	--	(14,200)
Transfer to Capital Projects Fund:			
Recreation - Walking Trail Renovations			
#05-31-03F	(51,000)	--	(51,000)
Total Other Financing Uses	(110,200)	(9,938)	(110,200)
Net Change in Fund Balance	\$ --	\$ 56,161	\$ --
<u>2006 Grant Year</u>			
Revenues:			
Federal	\$ 172,000	\$ 51,656	\$ 51,656
Expenditures:			
Housing Rehabilitation			
#06-31-14A 01	50,000	--	--
Community Housing Rehabilitation			
#06-31-14A 02	53,300	9,523	9,523
Total Expenditures	103,300	9,523	9,523
Excess of Revenues Over Expenditures	68,700	42,133	42,133
Other Financing Uses:			
Transfer to General Fund:			
Senior Services			
#06-31-05A	(16,500)	(14,918)	(14,918)
Code Enforcement			
#06-31-15	(20,000)	(14,060)	(14,060)
Administration			
#06-31-21A	(12,200)	(12,200)	(12,200)
Transfer to Capital Projects Fund:			
Recreation - Rotary II Park Improvements			
#06-31-03F	(20,000)	(19,532)	(19,532)
Total Other Financing Uses	(68,700)	(60,710)	(60,710)
Net Change in Fund Balance	\$ --	\$ (18,577)	\$ (18,577)

CITY OF WAYNE, MICHIGAN  
 COMBINING SCHEDULE OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
JUNE 30, 2007

	Miscellaneous Agency Fund	Current Tax Collection Fund	Delinquent Personal Property Tax Collection Fund	Total
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 60,480	\$ 226,273	\$ 88,476	\$ 375,229
Taxes Receivable - Delinquent	--	--	1,265,716	1,265,716
Due from Other Governments	--	90,336	14	90,350
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 60,480</u>	<u>\$ 316,609</u>	<u>\$ 1,354,206</u>	<u>\$ 1,731,295</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ --	\$ 524	\$ 7,203	\$ 7,727
Due to Other Governments	--	316,085	1,316,373	1,632,458
Refunds Due to Taxpayers	--	--	30,630	30,630
Held for Others	60,480	--	--	60,480
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 60,480</u>	<u>\$ 316,609</u>	<u>\$ 1,354,206</u>	<u>\$ 1,731,295</u>



CITY OF WAYNE, MICHIGAN  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<u>Miscellaneous Agency Fund</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 64,469	\$ 30,292	\$ 34,281	\$ 60,480
<u>LIABILITIES</u>				
Accounts Payable	\$ 320	\$ 3,031	\$ 3,351	\$ --
Held for Others	64,149	30,292	33,961	60,480
Total Liabilities	\$ 64,469	\$ 33,323	\$ 37,312	\$ 60,480
<u>Current Tax Collection Fund</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 79,923	\$ 39,759,121	\$ 39,612,771	\$ 226,273
Due from Other Governments	20,152	90,336	20,152	90,336
Total Assets	\$ 100,075	\$ 39,849,457	\$ 39,632,923	\$ 316,609
<u>LIABILITIES</u>				
Accounts Payable	\$ --	\$ 524	\$ --	\$ 524
Due to Other Funds	--	9,823,919	9,823,919	--
Due to Other Governments	100,075	30,025,014	29,809,004	316,085
	\$ 100,075	\$ 39,849,457	\$ 39,632,923	\$ 316,609
<u>Delinquent Tax Collection Fund</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 31,593	\$ 148,145	\$ 91,262	\$ 88,476
Taxes Receivable - Delinquent	1,398,583	138,457	271,324	1,265,716
Due from Other Governments	--	14	--	14
Total Assets	\$ 1,430,176	\$ 286,616	\$ 362,586	\$ 1,354,206
<u>LIABILITIES</u>				
Accounts Payable	\$ 357	\$ 7,203	\$ 357	\$ 7,203
Due to Other Governments	1,402,263	241,820	327,710	1,316,373
Refunds Due to Taxpayers	27,556	37,593	34,519	30,630
Total Liabilities	\$ 1,430,176	\$ 286,616	\$ 362,586	\$ 1,354,206

CITY OF WAYNE, MICHIGAN  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
<u>Total - All Agency Funds</u>				
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 175,985	\$ 39,937,558	\$ 39,738,314	\$ 375,229
Taxes Receivable - Delinquent	1,398,583	138,457	271,324	1,265,716
Other Receivables	20,152	90,336	20,152	90,336
Due from Other Governments	--	14	--	14
Total Assets	<u>\$ 1,594,720</u>	<u>\$ 40,166,365</u>	<u>\$ 40,029,790</u>	<u>\$ 1,731,295</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 677	\$ 10,758	\$ 3,708	\$ 7,727
Due to Other Funds	--	9,823,919	9,823,919	--
Due to Other Governments	1,502,338	30,266,834	30,136,714	1,632,458
Refunds Due to Taxpayers	27,556	37,593	34,519	30,630
Held for Others	64,149	30,292	33,961	60,480
Total Liabilities	<u>\$ 1,594,720</u>	<u>\$ 40,169,396</u>	<u>\$ 40,032,821</u>	<u>\$ 1,731,295</u>

**POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP**

*Certified Public Accountants*

Ronald H. Traskos, C.P.A.  
Kathy Billings, C.P.A., C.V.A.

4621 S. WAYNE ROAD  
WAYNE, MICHIGAN 48184

TELEPHONE (734)722-9190  
FAX (734)722-2410

Sharon Walz Duckworth, C.P.A.  
Cari Ford, C.P.A.  
Wendy Leung Lee, C.P.A., C.V.A.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

October 26, 2007

To the City Council  
City of Wayne, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Wayne, Michigan, as of and for the year ended June 30, 2007, which collectively comprise the City of Wayne, Michigan's basic financial statements and have issued our report thereon dated October 26, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Wayne, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Wayne, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Wayne, Michigan's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Wayne, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Wayne, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the City of Wayne, Michigan's internal control.

To the City Council  
October 26, 2007  
Page 2

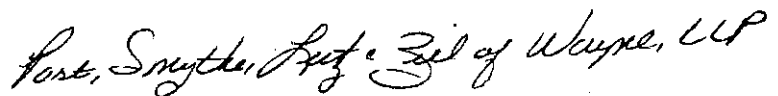
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Wayne, Michigan's internal control. Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Wayne, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



**POST, SMYTHE, LUTZ & ZIEL OF WAYNE LLP**  
Certified Public Accountants

CITY OF WAYNE, MICHIGAN  
POOLED INVESTMENT FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2007

<u>Dated</u>	<u>Bank</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Bank Accounts:				
	Chase Bank - Checking			\$ 4,535,293
	Chase Bank - Debt			34,827
	Chase Bank - Money Market			9,416,134
	Comerica Bank - Governmental Trust Account			23,960
	Comerica Bank - Money Market			1,696,009
	Fifth Third Bank - Public Funds Savings			1,910,581
	Flagstar Bank - Savings			564,176
	MBIA - Municipal Investors Service Corp. - Investment			1,745,401
	MBIA - Municipal Investors Service Corp. - Museum			25,618
	LaSalle Bank Midwest - Money Market			1,695,093
	Citizens Republic Bank - C of D			1,000,000
				<u>38,572</u>
Accrued Interest Receivable				
Total Pooled Investments				<u>\$ 22,685,664</u>

CITY OF WAYNE, MICHIGAN  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2007  
(PAGE 1 OF 5)

Cash Equivalents	Maturity Date	Interest Rate	Fair Value
LaSalle Bank Cash			\$ 1,223
Fifth Third Money Market			2,765,569
Fifth Third Cash			164,906
Total Cash Equivalents			<u>\$ 2,931,698</u>

Investments

Number of Shares	Common Stock	Fair Value
1,043	Cabot Corp	\$ 49,730
457	FMC Corp	40,851
614	Minerals Technologies Inc.	41,107
5,590	Monsanto Co New	377,549
9,640	Alumina Ltd	255,942
7,130	Anglogold Asbanti Ltd	269,657
18,954	Barrick Gold Corp	550,993
10,890	Gold Fields Ltd New	170,973
3,800	Impala Platinum Hldgs Ltd	116,394
12,020	Ivanhoe Mines Ltd	171,165
4,793	Kinross Gold Corp	55,982
6,800	Lihia Gold Ltd	174,624
3,210	Lonmin Pub Ltd	258,902
6,000	Newcrest Mining	116,316
4,400	Pactiv Corp	140,316
2,500	Freeport-Memoran Copper & Gold	207,050
5,150	Novagold Resources	77,404
4,600	Peabody Energy Corp	222,548
1,320	Rio Tinto	404,078
19,400	Stora Enso Corp	363,362
5,350	Sekisui House	71,262
4,398	Casella Waste System	47,410
10,430	Dai Nippon Prtg Ltd Japa	310,637
3,181	Legg Corp	48,065
2,950	Modermott Intl Inc	245,204
4,350	Quanta Svcs	133,414
1,392	Universal Technical	35,343
3,750	Cooper Industries	214,087
5,520	Centrais Electricas Brasileiras	81,679
3,650	Roper Inds Inc New	208,415
2,621	Pacer Intl Inc Tenn	61,646
1,095	Claircor Inc	40,986
5,926	Danaher Corp	447,413
659	Flowserve Corp	47,184
1,557	Intermec Inc.	39,408
2,324	Greatbatch Inc.	75,298
10,010	Tomkins	207,908

CITY OF WAYNE, MICHIGAN  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2007  
(PAGE 2 OF 5)

Number of Shares	Common Stock	Fair Value
856	Keystone Automotive	35,413
2,890	Magna Intl Inc.	262,961
760	Heartland Payment Systems	22,291
1,199	Stamps Com Inc.	16,522
4,500	Walt Disney Co	153,630
27,400	Sega Sammy Holding	110,669
11,875	Comcast Corp	333,925
6,750	News Corp	154,845
578	Washington Post	448,580
3,450	Nordstrom Inc.	176,364
4600	Saks	98,210
6051	Cost Plus Inc Calif	51,312
10,790	Fujifilm Hldgs Corp	481,450
8,150	Gamestop Corp New	240,465
2,872,500	California Pizza Kitchen Inc	61,701
4,800	McDonald's Corp	243,648
1,865	Ruths Chris Steak Hse Inc	31,703
25,720	Kirin Holdings Company Inc	383,845
4,400	Altria Group	308,616
4,921	Sunopta Inc.	54,869
924	Computer Programs & Sys Inc.	28,625
4,282	Express Scripts Inc.	214,143
1,600	McKesson Corporation	95,424
1,909	Option Care	29,399
1,129	Owens & Minor Inc	39,447
1,083	Pharmaceutical Prod Dev	41,446
4,000	Gilead Sciences Inc.	155,200
1,679	Keryx Biopharmaceuticals	16,404
2,850	Clorox Co	176,985
7,400	Abbott Labs	396,270
1,322	Adams Respiratory Thera Inc	52,074
12,929	Angiotech Pharmaceuticals Inc.	92,054
3,900	Merck & Co Inc.	194,220
1,165	Par Pharmaceutical Cos Inc	32,888
1,639	Penwest Pharmaceuticals Co	20,438
3,300	Teva Pharmaceutical Inds Ltd	136,125
2,450	Kellogg Co	126,885
543	Bill Barrett Corp	19,999
425	Hornbeck Offshore Svcs Inc. New	16,473
5,620	BP PLC Sponsored Adr	405,427
3,830	Eni SPA	277,100
2,450	Exxon Mobil Corp	205,506
10,410	Imperial Oil Ltd	483,440
2,086	Mariner Energy	50,585
900	National Oilwell Inc.	93,816
4,000	Penn West Energy Trust	133,480
5,450	Royal Dutch Shell PLC	454,257
5,363	Suncor Inc.	482,241

CITY OF WAYNE, MICHIGAN  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2007  
(PAGE 3 OF 5)

Number of <u>Shares</u>	<u>Common Stock</u>	Fair <u>Value</u>
3,900	Total SA ADR	315,822
2,974	CNOOC Ltd	338,114
1,600	Cameron International Corp	114,352
992	Helix Energy Solutions Group	39,591
1,234	Superior Energy SVC Inc.	49,261
2,490	Technip ADR	205,649
17,842	Bank New York Inc.	739,372
1,840	First Niagara Finl Group Inc.	24,104
2,359	Ucbh Hldgs Inc	43,099
1,406	Aspen Insurance Holdings Ltd	39,466
2,145	IPC Holdings Ltd	69,262
441	White Mountains Ins Grp	267,255
6,400	Aegon N V	125,760
74	Berkshire Hathaway Inc Del	266,770
20,447	Progressive Corp Ohio	489,297
24,630	Acom Co Ltd	220,389
6,550	American Express Co	400,729
924	Financial Fed Corp	27,554
1,171	Student Ln Corp	238,767
3,286	Actel Corp	45,708
8,150	Altera Corp	180,359
3,250	Broadcom Corp	95,062
2,013	Microsemi Corp	48,211
729	Netlogic Microsystems Inc.	23,211
4,300	Nvidia Corp	177,633
2,571	Power Integrations Inc.	67,360
2,739	Semtech Corp	47,467
22,050	Taiwan Semiconductor	245,416
13,760	Alcatel Lucent Sponsored ADR	192,640
7,400	Qualcomm Inc	321,086
6,069	Sourceforge Inc.	25,611
1,069	Viasat Inc.	34,315
8,250	Activision Inc.	154,028
3,165	Art Technology Group Inc.	8,419
4,053	Bottomline Technologies Del	50,055
4,293	Entrust	17,430
2,362	Faro Technologies Inc.	75,253
750	Google Inc.	392,025
6298	Intervoice Incorporated	52,462
8,650	Microsoft Corp	254,916
1,920	Opsware Inc.	18,259
2720	Quest Software Inc.	44,037
1,597	Rightnow Technologies	26,207
1,050	SPSS Inc.	46,347
5,700	Verisign Inc.	180,861
2,350	Apple Inc.	286,794
7,400	Hewlett Packard	330,188
4,400	Network Appliance	128,436
1,237	Coherent Inc.	37,741
4,176	Electro Scientific Inds Inc.	86,861



CITY OF WAYNE, MICHIGAN  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2007  
(PAGE 4 OF 5)

Number of Shares	Common Stock	Fair Value
1,985	FLIR SYS Inc	91,806
2,673	Methode Electrs Inc	41,832
918	Mettler-Toledo Intl Inc.	87,678
1,016	National Instrs Corp	33,091
540	Scansource Inc.	17,275
3,004	Textronix Inc.	101,355
833	Varian Inc.	45,673
17,750	Cisco Systems Inc.	494,338
6,561	IXIA	60,755
1,383	Argon St Inc.	32,099
1,600	Precision Castparts Corp	194,176
5,650	Avon Pros Inc	207,638
8,340	Shiseido Ltd	177,609
8,300	AES Corp	181,604
133,899	Aquila Inc Del New	547,647
27,504	El Paso Corp	473,894
51,101	Reliant Energy Inc.	1,377,172
36,887	Sierra Pac Res New	647,736
7,990	United Utils Plc	225,318
11,717	Allegheny Emergy Inc.	606,238
29,872	Centerpoint Energy Inc.	519,773
5,620	Centrais Electricas Brasileiras	84,328
24,470	CLP Holdings Ltd	164,169
3,290	Encl Societa Per Azioni	176,673
11,808	Huaneng Pwr Intl Inc	548,482
10,700	Korea Elec Pwr Co	234,330
5,600	Accenture Ltd	240,184
9,891	Lionbridge Technologies Inc.	58,258
2,408	Big 5 Sporting Goods Corp	61,404
2,550	Coach Inc.	120,845
2,600	Guess Inc	124,904
2,500	Wacoal Corp	152,550
3,950	Baxter Intl Inc	222,543
3,950	St Jude Med Inc	163,886
2,850	Zimmer Hlds Inc	241,937
894	Kincaid Healthcare Inc.	27,464
915	Rehabcare Group Inc.	13,030
950	Ambac Financial Group Inc.	82,831
2,594	Bear Stearns Cos Inc	363,160
20,101,500	Brookfield Asset Mgmt Cl A	802,050
3,611	Clayton Hlds Inc.	41,129
3,354	Goldman Sachs Group	726,980
4,756	International Securities	310,805
18,206	Leucadia Natl Corp	641,762
2,950	Morgan Stanley	247,446

CITY OF WAYNE, MICHIGAN  
PENSION TRUST FUND  
SCHEDULE OF INVESTMENTS  
JUNE 30, 2007  
(PAGE 5 OF 5)

Number of Shares	Common Stock	Fair Value
24,339	Nasdaq Stk Mkt Inc	723,112
2,650	Principal Finl Group Inc	154,469
15,310	Promis Co Ltd	235,544
9,750	Charles Schwab Corp New	200,070
857	Rait Financial Trust	22,299
24,169	Chungwa Telecom Co Ltd	455,827
17,370	KT Corp	407,500
22,080	Nippon Teleg & Tel Corp	489,514
10,700	Swisscom	364,870
2,050	NII Hlds Inc	165,517
3,860	Sk Telecom Co	105,571
27,000	Bam Investments Ltd	890,298
2,500	Blackstone Group	73,175
1,077	Kohlberg Cap	19,978
2,344	Legg Mason Inc	230,603
12,210	NEC Electronics Corp	160,171
11,385	NYSE Euronext	838,164
706	National Finl Partners Corp	32,695
638	Optionsexpress Hlds Inc.	16,371
1,770	Telcom Italia SPA New	389,754
3,260	Toppan Prg Ltd	174,886
12,268	Vodafone Group PLC	412,573
16,754	Western Union	348,986
	Total Common Stock	<u>41,158,487</u>
	<b>Mutual Funds</b>	
313	Comerica Short Term Fund	314
1,703,199	Hartford Core Plus Fixed Income Series Fund	19,209,103
31,959	Brandywine Diversified Small Cap Value Equity Group Trust	3,621,253
356,830	Comerica Bank Medium Cap Index Fund	<u>7,612,318</u>
	Total Mutual Funds	<u>30,442,988</u>
	Grand Total Investments	<u>\$ 71,601,475</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
BUILDING AUTHORITY BONDS - AQUATIC CENTER AND SENIOR CENTER  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
03/01/96	\$ 1,475,000					
		5.300%	10/01/06	\$ 100,000	\$ --	\$ --
		5.350%	10/01/07	150,000	150,000	32,888
		5.250%	10/01/08	150,000	150,000	24,937
		5.250%	10/01/09	200,000	200,000	15,750
		5.250%	10/01/10	200,000	200,000	5,250
Total Aquatic Center and Senior Center Debt				<u>\$ 800,000</u>	<u>\$ 700,000</u>	<u>\$ 78,825</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
BUILDING AUTHORITY REFUNDING BONDS  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
10/30/97	\$ 4,465,000					
		4.550%	10/01/06	\$ 210,000	\$ --	\$ --
		4.650%	10/01/07	210,000	210,000	198,710
		4.750%	10/01/08	235,000	235,000	188,246
		4.850%	10/01/09	230,000	230,000	177,088
		5.000%	10/01/10	255,000	255,000	165,135
		5.000%	10/01/11	280,000	280,000	151,760
		5.050%	10/01/12	275,000	275,000	137,816
		5.100%	10/01/13	300,000	300,000	123,222
		5.150%	10/01/14	295,000	295,000	107,976
		5.200%	10/01/15	315,000	315,000	92,190
		5.250%	10/01/16	365,000	365,000	74,419
		5.250%	10/01/17	385,000	385,000	54,731
		5.250%	10/01/18	405,000	405,000	33,994
		5.250%	10/01/19	445,000	445,000	11,681
Total Building Authority Refunding Bonds				<u>\$ 4,205,000</u>	<u>\$ 3,995,000</u>	<u>\$ 1,516,968</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
BUILDING AUTHORITY BONDS - COMMUNITY CENTER RENOVATION  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
12/1/98	\$ 1,800,000					
		4.500%	10/01/06	\$ 75,000	\$ --	\$ --
		4.500%	10/01/07	75,000	75,000	62,750
		4.550%	10/01/08	75,000	75,000	59,356
		4.600%	10/01/09	100,000	100,000	55,350
		4.650%	10/01/10	100,000	100,000	50,725
		4.700%	10/01/11	100,000	100,000	46,050
		4.750%	10/01/12	100,000	100,000	41,325
		4.800%	10/01/13	125,000	125,000	35,950
		4.850%	10/01/14	125,000	125,000	29,919
		4.850%	10/01/15	125,000	125,000	23,856
		4.900%	10/01/16	125,000	125,000	17,763
		4.900%	10/01/17	150,000	150,000	11,025
		4.900%	10/01/18	150,000	150,000	3,675
Total Community Center Renovation Debt				<u>\$ 1,425,000</u>	<u>\$ 1,350,000</u>	<u>\$ 437,744</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
BUILDING AUTHORITY BONDS - INTERIM FIRE/DPW BUILDING  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
04/01/01	\$ 1,500,000					
		4.200%	10/01/06	\$ 50,000	\$ --	\$ --
		4.300%	10/01/07	50,000	50,000	65,388
		4.350%	10/01/08	50,000	50,000	63,225
		4.400%	10/01/09	75,000	75,000	60,487
		4.500%	10/01/10	75,000	75,000	57,150
		4.600%	10/01/11	75,000	75,000	53,738
		4.700%	10/01/12	75,000	75,000	50,250
		4.800%	10/01/13	100,000	100,000	46,088
		4.900%	10/01/14	100,000	100,000	41,237
		5.000%	10/01/15	100,000	100,000	36,288
		5.100%	10/01/16	100,000	100,000	31,237
		5.150%	10/01/17	125,000	125,000	25,468
		5.200%	10/01/18	125,000	125,000	19,000
		5.250%	10/01/19	150,000	150,000	11,813
		5.250%	10/01/20	150,000	150,000	3,938
Total Interim Fire/DPW Building				<u>\$ 1,400,000</u>	<u>\$ 1,350,000</u>	<u>\$ 565,307</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
BUILDING AUTHORITY BONDS - FIRE STATION  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
04/01/02	\$ 5,935,000					
		7.5000%	10/01/06	\$ 135,000	\$ --	\$ --
		7.5000%	10/01/07	150,000	150,000	269,200
		7.5000%	10/01/08	150,000	150,000	257,950
		7.5000%	10/01/09	175,000	175,000	245,762
		7.5000%	10/01/10	175,000	175,000	232,638
		7.5000%	10/01/11	200,000	200,000	218,575
		4.5000%	10/01/12	200,000	200,000	206,575
		4.6000%	10/01/13	225,000	225,000	197,012
		4.7000%	10/01/14	225,000	225,000	186,775
		4.7000%	10/01/15	250,000	250,000	175,725
		4.8000%	10/01/16	250,000	250,000	163,975
		4.8500%	10/01/17	275,000	275,000	151,500
		4.8500%	10/01/18	275,000	275,000	138,231
		4.8500%	10/01/19	300,000	300,000	124,287
		4.5000%	10/01/20	325,000	325,000	109,131
		4.5000%	10/01/21	325,000	325,000	93,938
		4.5000%	10/01/22	325,000	325,000	79,312
		4.5000%	10/01/23	375,000	375,000	63,563
		4.5000%	10/01/24	400,000	400,000	46,125
		4.5000%	10/01/25	400,000	400,000	28,125
		4.5000%	10/01/26	425,000	425,000	9,562
Total Fire Station				<u>\$ 5,560,000</u>	<u>\$ 5,425,000</u>	<u>\$ 2,997,961</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
CAPITAL LEASE - 2006 TRAUMAHAWK RESCUE  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
6/21/05	\$ 149,900					
		3.250%	8/21/2006	\$ 28,076	\$ --	\$ --
		3.250%	8/21/2007	28,998	28,998	2,948
		3.250%	8/21/2008	29,949	29,949	1,997
		3.250%	8/21/2009	30,931	30,931	1,014
Total Capital Lease				<u>\$ 117,954</u>	<u>\$ 89,878</u>	<u>\$ 5,959</u>



CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
CAPITAL LEASE - 2006 FITNESS EQUIPMENT  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
10/27/05	\$ 3,065	17.688%	11/15/2006	\$ 789	\$ --	\$ --
		3.250%	11/15/2007	<u>1,003</u>	<u>1,003</u>	<u>271</u>
Total Capital Lease				<u>\$ 1,792</u>	<u>\$ 1,003</u>	<u>\$ 271</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
NOTE PAYABLE TO DDA  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
06/30/06	\$ 283,073					
		2.500%	8/6/2006	\$ 56,615	\$ --	\$ --
		2.500%	8/6/2007	56,615	56,615	5,661
		2.500%	8/6/2008	56,615	56,615	4,246
		2.500%	8/6/2009	56,614	56,614	2,831
		2.500%	8/6/2005	<u>56,614</u>	<u>56,614</u>	<u>1,415</u>
Total Note Payable				<u>\$ 283,073</u>	<u>\$ 226,458</u>	<u>\$ 14,153</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
NOTE PAYABLE - PHONE SYSTEM EQUIPMENT  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Monthly Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
05/01/02	\$ 95,723					
		4.09%	2006-07	\$ 20,310	\$ --	\$ --
		4.09%	2007-08	<u>10,468</u>	<u>10,468</u>	<u>214</u>
Total Note Payable				<u>\$ 30,778</u>	<u>\$ 10,468</u>	<u>\$ 214</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
CAPITAL LEASE - 2007 POLICE MOBILE WORKSTATION  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
09/01/06	\$ 70,222					
		5.999%	09/01/07	\$ --	\$ 22,058	\$ 4,213
		5.999%	09/01/08	--	23,381	2,889
		5.999%	09/01/09	--	24,783	1,487
Total Capital Lease				<u>\$ --</u>	<u>\$ 70,222</u>	<u>\$ 8,589</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
CAPITAL LEASE - 2007 FIRE DEPARTMENT COPIER  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Monthly Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
08/30/06	\$ 5,925	9.00%				
			2007-08	\$ --	\$ 1,059	\$ 417
			2008-09	--	1,158	318
			2009-10	--	1,266	209
			2010-11	--	1,385	91
			2011-12		245	2
Total Capital Lease				<u>\$ --</u>	<u>\$ 5,113</u>	<u>\$ 1,037</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
CAPITAL LEASE - 2007 POLICE VEHICLE  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
01/12/07	\$ 21,584	6.80%				
			01/12/07	\$ --	\$ --	\$ --
			01/12/08	--	6,727	946
			01/12/09	--	7,184	489
Total Capital Lease				<u>\$ --</u>	<u>\$ 13,911</u>	<u>\$ 1,435</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
CAPITAL LEASE - PARKS AND RECREATION COPIER, PRINTER, SCANNER  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Monthly Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
07/06/06	\$ 17,000					
		14.217%	2007-08	\$ --	\$ 2,893	\$ 1,787
		14.217%	2008-09	--	3,304	1,376
		14.217%	2009-10	--	3,774	906
		14.217%	2010-11	--	4,310	370
		14.217%	2011-12	--	385	5
Total Capital Lease				<u>\$ --</u>	<u>\$ 14,666</u>	<u>\$ 4,444</u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF INDEBTEDNESS  
CAPITAL LEASE - BROOM SWEEPER  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Monthly Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
11/06/06	\$ 154,000					
		5.57%	2006-07	\$ --	\$ --	\$ --
		5.57%	2007-08	--	48,577	5,562
		5.57%	2008-09	--	51,283	2,857
Total Capital Lease				<u>\$ --</u>	<u>\$ 99,860</u>	<u>\$ 8,419</u>



CITY OF WAYNE, MICHIGAN  
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND  
SCHEDULE OF INDEBTEDNESS  
MICHIGAN MUNICIPAL BOND AUTHORITY  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
9/28/95	\$ 255,796					
		2.250%	10/01/06	\$ 10,000	\$ --	\$ --
		2.250%	10/01/07	15,000	15,000	3,206
		2.250%	10/01/08	15,000	15,000	2,869
		2.250%	10/01/09	15,000	15,000	2,531
		2.250%	10/01/10	15,000	15,000	2,194
		2.250%	10/01/11	15,000	15,000	1,856
		2.250%	10/01/12	15,000	15,000	1,519
		2.250%	10/01/13	15,000	15,000	1,181
		2.250%	10/01/14	15,000	15,000	844
		2.250%	10/01/15	15,000	15,000	506
		2.250%	10/01/16	15,000	15,000	169
Total Michigan Municipal Bond Authority				<u>\$ 160,000</u>	<u>\$ 150,000</u>	<u>\$ 16,875</u>

CITY OF WAYNE, MICHIGAN  
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND  
SCHEDULE OF INDEBTEDNESS  
MICHIGAN MUNICIPAL BOND AUTHORITY  
JUNE 30, 2007

<u>Date of Issuance</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
6/26/97	\$ 604,829					
		2.250%	10/01/06	\$ 30,000	\$ --	\$ --
		2.250%	10/01/07	30,000	30,000	6,862
		2.250%	10/01/08	30,000	30,000	6,188
		2.250%	10/01/09	30,000	30,000	5,512
		2.250%	10/01/10	35,000	35,000	4,781
		2.250%	10/01/11	35,000	35,000	3,994
		2.250%	10/01/12	30,000	30,000	3,263
		2.250%	10/01/13	35,000	35,000	2,531
		2.250%	10/01/14	35,000	35,000	1,744
		2.250%	10/01/15	30,000	30,000	1,012
		2.250%	10/01/16	30,000	30,000	338
Total Michigan Municipal Bond Authority				<u>\$ 350,000</u>	<u>\$ 320,000</u>	<u>\$ 36,225</u>

CITY OF WAYNE, MICHIGAN  
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND  
SCHEDULE OF INDEBTEDNESS  
GENERAL OBLIGATION LIMITED TAX REFUNDING BONDS, SERIES 2003  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
11/13/03	\$ 2,720,000					
		2.000%	10/01/06	\$ 200,000	\$ --	\$ --
		2.500%	10/01/07	200,000	200,000	76,644
		3.000%	10/01/08	190,000	190,000	71,294
		3.250%	10/01/09	190,000	190,000	65,356
		3.500%	10/01/10	240,000	240,000	58,069
		3.500%	10/01/11	230,000	230,000	49,844
		3.550%	10/01/12	255,000	255,000	41,293
		3.700%	10/01/13	270,000	270,000	31,771
		3.850%	10/01/14	270,000	270,000	21,579
		4.000%	10/01/15	260,000	260,000	11,181
		4.125%	10/01/16	145,000	145,000	2,991
Total General Obligation Limited Bonds				<u>\$ 2,450,000</u>	<u>\$ 2,250,000</u>	<u>\$ 430,022</u>

CITY OF WAYNE, MICHIGAN  
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND  
SCHEDULE OF INDEBTEDNESS  
2004 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
7/1/04	\$ 7,750,000					
		3.000%	10/01/06	\$ 100,000	\$ --	\$ --
		3.000%	10/01/07	125,000	125,000	136,887
		3.250%	10/01/08	125,000	125,000	132,981
		3.250%	10/01/09	150,000	150,000	128,513
		3.500%	10/01/10	150,000	150,000	123,450
		3.500%	10/01/11	175,000	175,000	117,763
		3.750%	10/01/12	200,000	200,000	110,950
		3.750%	10/01/13	225,000	225,000	102,981
		3.750%	10/01/14	225,000	225,000	94,543
		3.900%	10/01/15	250,000	250,000	85,450
		4.000%	10/01/16	275,000	275,000	75,075
		4.100%	10/01/17	275,000	275,000	63,938
		4.200%	10/01/18	300,000	300,000	52,000
		4.300%	10/01/19	325,000	325,000	38,712
		4.350%	10/01/20	350,000	350,000	24,113
		4.400%	10/01/21	375,000	375,000	8,250
		4.500%	10/01/22	400,000	--	--
		4.600%	10/01/23	425,000	--	--
		4.700%	10/01/24	450,000	--	--
		5.250%	10/01/25	475,000	--	--
		5.250%	10/01/26	500,000	--	--
		5.250%	10/01/27	550,000	--	--
		5.250%	10/01/28	600,000	--	--
		5.250%	10/01/29	625,000	--	--
Total General Obligation Capital Improvement Bonds				<u>\$ 7,650,000</u>	<u>\$ 3,525,000</u>	<u>\$ 1,295,606</u>

CITY OF WAYNE, MICHIGAN  
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND  
SCHEDULE OF INDEBTEDNESS  
2006 GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
8/7/06	\$ 7,500,000					
			10/01/06	\$ --	\$ --	\$ --
		4.500%	10/01/07	--	100,000	333,350
		4.500%	10/01/08	--	100,000	328,850
		4.500%	10/01/09	--	100,000	324,350
		4.500%	10/01/10	--	100,000	319,850
		4.500%	10/01/11	--	100,000	315,350
		4.625%	10/01/12	--	200,000	308,475
		6.000%	10/01/13	--	200,000	297,850
		6.000%	10/01/14	--	200,000	285,850
		6.000%	10/01/15	--	200,000	273,850
		4.500%	10/01/16	--	200,000	263,350
		4.000%	10/01/17	--	300,000	252,850
		4.000%	10/01/18	--	300,000	240,850
		4.500%	10/01/19	--	300,000	228,100
		4.500%	10/01/20	--	300,000	214,600
		4.500%	10/01/21	--	300,000	201,100
		4.150%	10/01/22	--	400,000	186,050
		4.200%	10/01/23	--	400,000	169,350
		4.250%	10/01/24	--	400,000	152,450
		4.250%	10/01/25	--	400,000	135,450
		4.300%	10/01/26	--	400,000	118,350
		4.375%	10/01/27	--	500,000	98,813
		4.375%	10/01/28	--	500,000	76,937
		4.400%	10/01/29	--	500,000	55,000
		4.400%	10/01/30	--	500,000	33,000
		4.400%	10/01/31	--	500,000	11,000
Total General Obligation Capital Improvement Bonds				<u>\$ --</u>	<u>\$ 7,500,000</u>	<u>\$ 5,225,025</u>

CITY OF WAYNE, MICHIGAN  
WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM - ENTERPRISE FUND  
SCHEDULE OF INDEBTEDNESS  
GENERAL OBLIGATION CAPITAL IMPROVEMENT REFUNDING BONDS, SERIES 2007  
JUNE 30, 2007

<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>June 30, 2006</u>	<u>June 30, 2007</u>	<u>Annual Interest Payable</u>
1/31/07	\$ 4,430,000					
			10/01/06	\$ --	\$ --	\$ --
		3.500%	10/01/07	--	75,000	176,683
		3.700%	10/01/08	--	15,000	175,092
		3.700%	10/01/09	--	15,000	174,538
		3.700%	10/01/10	--	15,000	173,982
		3.700%	10/01/11	--	15,000	173,428
		3.700%	10/01/12	--	15,000	172,872
		3.800%	10/01/13	--	15,000	172,310
		3.800%	10/01/14	--	15,000	171,740
		3.800%	10/01/15	--	15,000	171,170
		3.800%	10/01/16	--	20,000	170,505
		4.000%	10/01/17	--	20,000	169,725
		4.000%	10/01/18	--	20,000	168,925
		4.000%	10/01/19	--	20,000	168,125
		4.000%	10/01/20	--	20,000	167,325
		4.000%	10/01/21	--	20,000	166,525
		4.000%	10/01/22	--	425,000	157,625
		4.000%	10/01/23	--	445,000	140,225
		4.000%	10/01/24	--	470,000	121,925
		4.000%	10/01/25	--	490,000	102,725
		4.000%	10/01/26	--	510,000	82,725
		4.000%	10/01/27	--	555,000	61,425
		4.125%	10/01/28	--	600,000	37,950
		4.125%	10/01/29	--	620,000	12,788
Total General Obligation Capital Improvement Bonds				<u>\$ --</u>	<u>\$ 4,430,000</u>	<u>\$ 3,290,333</u>

CITY OF WAYNE, MICHIGAN  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF NET ASSETS  
JUNE 30, 2007

	<u>DPW Equipment Rental Fund</u>	<u>Administrative Equipment Rental Fund</u>
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,161,849	\$ 49,060
Accounts Receivable	--	--
Due from Employees	--	--
Due from Other Funds	--	--
Inventory	--	--
Prepaid Items	--	--
Total Current Assets	<u>1,161,849</u>	<u>49,060</u>
Property, Plant and Equipment	2,932,410	4,020,816
Less: Accumulated Depreciation	<u>(2,127,968)</u>	<u>(3,061,717)</u>
Net Property, Plant and Equipment	<u>804,442</u>	<u>959,099</u>
Total Assets	<u>1,966,291</u>	<u>1,008,159</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	11,383	--
Due to Other Governmental Units	3,016	--
Interfund Payables	--	--
Accrued Salaries and Wages	--	--
Current Portion of Long-Term Debt	48,577	10,468
Accrued Interest Payable	--	107
Unsettled Claims - Property Casualty Losses	--	--
Unsettled Claims - Worker's Compensation	--	--
Total Current Liabilities	<u>62,976</u>	<u>10,575</u>
Long-Term Debt:		
Notes Payable	99,860	10,468
Less: Current Portion	<u>(48,577)</u>	<u>(10,468)</u>
Total Long-Term Debt	<u>51,283</u>	<u>--</u>
Total Liabilities	<u>114,259</u>	<u>10,575</u>
Net Assets:		
Unrestricted	<u>\$ 1,852,032</u>	<u>\$ 997,584</u>

Supplementary  
Financial Data

Retired Lives Medical Coverage <u>Fund</u>	Risk Management <u>Fund</u>	DPW Services <u>Fund</u>	Administrative Services <u>Fund</u>	<u>Total</u>
\$ 286,549	\$ 4,552,615	\$ --	\$ 70,970	\$ 6,121,043
51,369	4,046	41,890	--	97,305
855	876	--	--	1,731
--	--	45,794	--	45,794
--	--	222,969	2,416	225,385
934	12,000	--	--	12,934
<u>339,707</u>	<u>4,569,537</u>	<u>310,653</u>	<u>73,386</u>	<u>6,504,192</u>
--	--	--	22,030	6,975,256
--	--	--	(22,030)	(5,211,715)
--	--	--	--	<u>1,763,541</u>
<u>339,707</u>	<u>4,569,537</u>	<u>310,653</u>	<u>73,386</u>	<u>8,267,733</u>
7,557	37,270	21,222	593	78,025
--	--	--	--	3,016
--	--	127,805	--	127,805
--	--	36,937	--	36,937
--	--	--	--	59,045
--	--	--	--	107
--	30,025	--	--	30,025
--	262,650	--	--	262,650
<u>7,557</u>	<u>329,945</u>	<u>185,964</u>	<u>593</u>	<u>597,610</u>
--	--	--	--	110,328
--	--	--	--	(59,045)
--	--	--	--	<u>51,283</u>
<u>7,557</u>	<u>329,945</u>	<u>185,964</u>	<u>593</u>	<u>648,893</u>
<u>\$ 332,150</u>	<u>\$ 4,239,592</u>	<u>\$ 124,689</u>	<u>\$ 72,793</u>	<u>\$ 7,618,840</u>



CITY OF WAYNE, MICHIGAN  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2007

	DPW Equipment Rental Fund	Administrative Equipment Rental Fund
Operating Revenues:		
Charges for Services	\$ 912,891	\$ 51,156
Other	--	--
Total Operating Revenues	<u>912,891</u>	<u>51,156</u>
Operating Expenses:		
Salaries and Benefits	198,892	--
Materials and Supplies	114,376	--
Professional Services	16,915	--
Transportation	--	--
Payment and Claims	--	--
Service and Maintenance	57,436	--
Insurance and Bonds	63,200	--
Depreciation	196,474	188,722
Other	254	--
Total Operating Expenses	<u>647,547</u>	<u>188,722</u>
Operating Income/(Loss)	<u>265,344</u>	<u>(137,566)</u>
Non-Operating Revenues/(Expenses):		
Interest Income	45,147	2,229
Interest Expense	--	(1,370)
Gains/(Loss) from Sale of Capital Assets	--	(5,903)
Total Non-Operating Revenues/(Expenses)	<u>45,147</u>	<u>(5,044)</u>
Income/(Loss) Before Transfers	<u>310,491</u>	<u>(142,610)</u>
Transfers from/(to) Other Funds:		
Transfers from:		
General Fund	--	--
Risk Management Fund	--	--
Transfers to:		
Retired Lives Medical Coverage Fund	--	--
Total Transfers from/(to) Other Funds	<u>--</u>	<u>--</u>
Change in Net Assets	<u>310,491</u>	<u>(142,610)</u>
Net Assets, Beginning of Year	<u>1,541,541</u>	<u>1,140,194</u>
Net Assets, End of Year	<u>\$ 1,852,032</u>	<u>\$ 997,584</u>

Retired Lives Medical Coverage Fund	Risk Management Fund	DPW Services Fund	Administrative Services Fund	Total
\$ 1,493,303	\$ 2,820,672	\$ 2,917,573	\$ --	\$ 8,195,595
--	--	--	16,093	16,093
<u>1,493,303</u>	<u>2,820,672</u>	<u>2,917,573</u>	<u>16,093</u>	<u>8,211,688</u>
--	110,603	2,745,244	--	3,054,739
--	--	246,025	3,464	363,865
--	60,132	--	--	77,047
--	--	23,079	--	23,079
1,327,902	62,166	--	--	1,390,068
--	199,613	--	3,573	260,622
--	2,251,095	--	--	2,314,295
--	--	--	4,406	389,602
--	--	126,295	693	127,242
<u>1,327,902</u>	<u>2,683,609</u>	<u>3,140,643</u>	<u>12,136</u>	<u>8,000,559</u>
165,401	137,063	(223,070)	3,957	211,129
(847)	183,313	(6,328)	--	223,514
--	--	--	--	(1,370)
--	--	--	--	(5,903)
<u>(847)</u>	<u>183,313</u>	<u>(6,328)</u>	<u>--</u>	<u>216,241</u>
<u>164,554</u>	<u>320,376</u>	<u>(229,398)</u>	<u>3,957</u>	<u>427,370</u>
--	50,000	--	--	50,000
164,282	--	--	--	164,282
--	(164,282)	--	--	(164,282)
<u>164,282</u>	<u>(114,282)</u>	<u>--</u>	<u>--</u>	<u>50,000</u>
328,836	206,094	(229,398)	3,957	477,370
3,314	4,033,498	354,087	68,836	7,141,470
<u>\$ 332,150</u>	<u>\$ 4,239,592</u>	<u>\$ 124,689</u>	<u>\$ 72,793</u>	<u>\$ 7,618,840</u>

CITY OF WAYNE, MICHIGAN  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007  
PAGE 1 OF 2

	DPW Equipment Rental Fund	Administrative Equipment Rental Fund
Cash Flows from Operating Activities:		
Cash Received from Users	\$ 912,891	\$ 51,156
Cash Payments to Suppliers for Goods and Services	(249,946)	--
Cash Payments to Employees for Services	(198,892)	--
Net Cash Provided/(Used) by Operating Activities	<u>464,053</u>	<u>51,156</u>
Cash Flows Used for Non-Capital Financing Activities:		
Contribution to Other Funds	<u>--</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from Capital Debt	154,000	--
Contribution from Other Funds	--	--
Acquisition of Capital Assets	(180,588)	--
Principal Paid on Equipment Contracts	(54,140)	(49,310)
Interest Paid on Equipment Contracts	--	(1,846)
Proceeds from Sale of Capital Assets	--	2,570
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(80,728)</u>	<u>(48,586)</u>
Cash Flows from Investing Activities:		
Interest on Investments	<u>45,147</u>	<u>2,229</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	<u>428,472</u>	<u>4,799</u>
Cash and Cash Equivalents at Beginning of Year	<u>733,377</u>	<u>44,261</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,161,849</u>	<u>\$ 49,060</u>

Retired Lives Medical Coverage Fund	Risk Management Fund	DPW Services Fund	Administrative Services Fund	Total
\$ 1,443,372	\$ 2,797,791	\$ 2,929,859	\$ 16,093	\$ 8,151,162
(1,320,258)	(2,419,032)	(290,179)	(6,388)	(4,285,803)
--	(110,603)	(2,747,160)	--	(3,056,655)
<u>123,114</u>	<u>268,156</u>	<u>(107,480)</u>	<u>9,705</u>	<u>808,704</u>
--	(114,282)	--	--	(114,282)
--	--	--	--	154,000
164,282	--	--	--	164,282
--	--	--	--	(180,588)
--	--	--	--	(103,450)
--	--	--	--	(1,846)
--	--	--	--	2,570
<u>164,282</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>34,968</u>
(847)	183,313	(6,328)	--	223,514
<u>286,549</u>	<u>337,187</u>	<u>(113,808)</u>	<u>9,705</u>	<u>952,904</u>
--	4,215,428	113,808	61,265	5,168,139
<u>\$ 286,549</u>	<u>\$ 4,552,615</u>	<u>\$ --</u>	<u>\$ 70,970</u>	<u>\$ 6,121,043</u>

CITY OF WAYNE, MICHIGAN  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007  
PAGE 2 OF 2

	DPW Equipment <u>Rental Fund</u>	Administrative Equipment <u>Rental Fund</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED</u>		
<u>BY OPERATING ACTIVITIES</u>		
Operating Income/(Loss)	\$ 265,344	\$ (137,566)
Adjustments to Reconcile Operating Income to Net		
Cash Provided/(Used) by Operating Activities:		
Depreciation	196,474	188,722
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	--	--
(Increase)/Decrease in Inventory	--	--
Decrease in Due from Employees	--	--
Decrease in Due from Other Funds	--	--
(Increase)/Decrease in Prepaid Items	--	--
Increase in Accounts Payable	3,388	--
(Decrease) in Due to Other Governmental Units	--	--
Increase/(Decrease) in Due to Other Funds	(1,153)	--
(Decrease) in Accrued Salaries and Wages	--	--
(Decrease) in Unsettled Claims - Property Casualty Losses	--	--
Increase in Unsettled Claims - Workers Compensation	--	--
Total Adjustments	<u>198,709</u>	<u>188,722</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 464,053</u>	<u>\$ 51,156</u>

Retired Lives Medical Coverage <u>Fund</u>	Risk Management <u>Fund</u>	DPW Services <u>Fund</u>	Administrative Services <u>Fund</u>	<u>Total</u>
\$ 165,401	\$ 137,063	\$ (223,070)	\$ 3,957	\$ 211,129
--	--	--	4,406	389,602
(50,904)	(2,742)	9,612	--	(44,034)
--	--	(39,044)	1,161	(37,883)
973	761	--	--	1,734
--	--	2,674	--	2,674
87	(12,000)	--	--	(11,913)
7,557	33,145	16,459	181	60,730
--	(2,207)	--	--	(2,207)
--	(20,900)	127,805	--	105,752
--	--	(1,916)	--	(1,916)
--	(14,268)	--	--	(14,268)
--	149,304	--	--	149,304
(42,287)	131,093	115,590	5,748	597,575
<u>\$ 123,114</u>	<u>\$ 268,156</u>	<u>\$ (107,480)</u>	<u>\$ 9,705</u>	<u>\$ 808,704</u>

CITY OF WAYNE, MICHIGAN  
BALANCE SHEET  
RECONCILING TO THE STATEMENT OF NET ASSETS  
MAJOR COMPONENT UNIT  
DOWNTOWN DEVELOPMENT AUTHORITY  
JUNE 30, 2007

ASSETS

Assets:

Cash and Cash Equivalents	\$ 1,917,420
Accounts Receivable	4,539
Notes Receivable	226,458
Prepaid Items	<u>13,207</u>

Total Assets	<u><u>\$ 2,161,624</u></u>
--------------	----------------------------

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable	\$ 1,265,851
Accrued Salaries and Wages	2,751
Deferred Revenue	<u>226,459</u>
Total Liabilities	<u>1,495,061</u>

Fund Balance:

Reserved for Prepaid Items	13,207
Unreserved, Undesignated	<u>653,356</u>
Total Fund Balance	<u>666,563</u>

Total Liabilities and Fund Balance	<u><u>\$ 2,161,624</u></u>
------------------------------------	----------------------------

Reconciliation to the Statement of Net Assets:

Total Fund Balance	\$ 666,563
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	7,873,135
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds.	<u>(237,313)</u>
Total Net Assets	<u><u>\$ 8,302,385</u></u>

CITY OF WAYNE, MICHIGAN  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
RECONCILING TO THE STATEMENT OF ACTIVITIES  
MAJOR COMPONENT UNIT  
DOWNTOWN DEVELOPMENT AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2007

Revenues:	
Taxes	\$ 6,350,072
Intergovernmental	29,595
Sale of Capital Assets	10,194
Interest and Rents	70,139
Other	497,323
Total Revenues	<u>6,957,323</u>
Expenditures:	
Current:	
Other Functions	5,809,633
Capital Outlay	1,562,317
Total Expenditures	<u>7,371,950</u>
Net Change in Fund Balance	<u>(414,627)</u>
Fund Balance at Beginning of Year	<u>1,081,190</u>
Fund Balance at End of Year	<u><u>\$ 666,563</u></u>

Reconciliation to the Statement of Activities:

Net Change in Fund Balance	\$ (414,627)
Governmental funds report capital outlays as expenditures.	
However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	1,256,697
Repayment of land contract principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	<u>68,215</u>
Change in Net Assets	<u><u>\$ 910,285</u></u>



CITY OF WAYNE, MICHIGAN  
COMBINING SCHEDULE OF NET ASSETS  
NONMAJOR COMPONENT UNITS  
JUNE 30, 2007

	Parks and Recreation Foundation	Wayne Housing Commission	Total
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 28,738	\$ 62,519	\$ 91,257
Receivables (Net)	--	686	686
Prepaid Items	--	19,065	19,065
Total Current Assets	<u>28,738</u>	<u>82,270</u>	<u>111,008</u>
Noncurrent Assets:			
Capital Assets (Note 3C):			
Land, Improvements, and			
Construction in Progress	--	58,641	58,641
Other Capital Assets, Net of Depreciation	--	747,318	747,318
Total Noncurrent Assets	<u>--</u>	<u>805,959</u>	<u>805,959</u>
Total Assets	<u>28,738</u>	<u>888,229</u>	<u>916,967</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable and Accrued Expenses	--	31,661	31,661
Unearned Revenue	--	17,712	17,712
Total Liabilities	<u>--</u>	<u>49,373</u>	<u>49,373</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	--	805,959	805,959
Unrestricted	<u>28,738</u>	<u>32,897</u>	<u>61,635</u>
Total Net Assets	<u>\$ 28,738</u>	<u>\$ 838,856</u>	<u>\$ 867,594</u>

CITY OF WAYNE, MICHIGAN  
COMBINING SCHEDULE OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS  
NONMAJOR COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Parks and Recreation Foundation</u>	<u>Wayne Housing Commission</u>	<u>Total</u>
Operating Revenues:			
Intergovernmental Revenue	\$ --	\$ 136,317	\$ 136,317
Charges for Services	--	160,931	160,931
Interest	312	831	1,143
Other	10,889	--	10,889
Total Operating Revenues	<u>11,201</u>	<u>298,079</u>	<u>309,280</u>
Operating Expenses:			
Administrative	--	124,465	124,465
Utility Expense	--	44,005	44,005
Ordinary Maintenance	--	106,559	106,559
General Expenses	--	16,916	16,916
Depreciation Expense	--	103,602	103,602
Other	3,500	--	3,500
Total Operating Expenses	<u>3,500</u>	<u>395,547</u>	<u>399,047</u>
Operating Income/(Loss)	<u>7,701</u>	<u>(97,468)</u>	<u>(89,767)</u>
Non-Operating Revenues/(Expenses):			
Capital Contributions	<u>--</u>	<u>63,995</u>	<u>63,995</u>
Change in Net Assets	<u>7,701</u>	<u>(33,473)</u>	<u>(25,772)</u>
Total Net Assets, Beginning of Year	21,037	876,279	897,316
Restatement for Prepaid Rent	--	(3,950)	(3,950)
Total Net Assets, Beginning of Year, Restated	<u>21,037</u>	<u>872,329</u>	<u>893,366</u>
Total Net Assets, End of Year	<u>\$ 28,738</u>	<u>\$ 838,856</u>	<u>\$ 867,594</u>

---

**CITY OF WAYNE, MICHIGAN**  
**FY 2006-07 COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**STATISTICAL SECTION**

This part of the City of Wayne's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

**Contents**

The statistical section is organized into the following main categories:

**Financial Trends:**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

**Revenue Capacity:**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

**Debt Capacity:**

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

**Demographic and Economic Information:**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

**Operating Information:**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2002; schedules presenting government-wide information include information beginning in that year.

**Schedule 1**

**CITY OF WAYNE, MICHIGAN  
NET ASSETS BY COMPONENT  
LAST FIVE FISCAL YEARS  
(accrual basis of accounting)**

	<b>Fiscal Year</b>				
	<b><u>6/30/2003</u></b>	<b><u>6/30/2004</u></b>	<b><u>6/30/2005</u></b>	<b><u>6/30/2006</u></b>	<b><u>6/30/2007</u></b>
<b>Governmental Activities</b>					
Invested in Capital Assets, Net of Related Debt	\$20,655,317	\$20,560,599	\$19,556,507	\$19,666,330	\$17,038,424
Restricted For:					
Capital Projects	28,765	22,978	-	-	-
Debt Service	137,604	161,502	572,166	208,709	34,826
Cemetery Perpetual Care (Nonexpendable)	281,642	289,360	301,430	309,530	315,818
Other Purposes	195,916	155,900	39,773	40,707	124,298
Unrestricted	4,605,083	4,985,923	6,315,244	5,764,424	10,360,347
<b>Total Governmental Activities Net Assets</b>	<b><u>\$25,904,327</u></b>	<b><u>\$26,176,262</u></b>	<b><u>\$26,785,120</u></b>	<b><u>\$25,989,700</u></b>	<b><u>\$27,873,713</u></b>
<b>Business-type Activities</b>					
Invested in Capital Assets, Net of Related Debt	\$16,418,509	\$16,140,973	\$ 9,409,901	\$ 8,039,305	\$ 7,892,274
Restricted For:					
Debt Service	45,858	32,666	469,337	493,827	761,949
Other Purposes	16,606	16,676	7,822,560	17,487	18,312
Unrestricted	(403,415)	289,049	(1,023,412)	8,364,626	8,045,871
<b>Total Business-type Activities Net Assets</b>	<b><u>\$16,077,558</u></b>	<b><u>\$16,479,364</u></b>	<b><u>\$16,678,386</u></b>	<b><u>\$16,915,245</u></b>	<b><u>\$16,718,406</u></b>
<b>Primary Government</b>					
Invested in Capital Assets, Net of Related Debt	\$37,073,826	\$36,701,572	\$28,966,408	\$27,705,635	\$24,930,698
Restricted For:					
Capital Projects	28,765	22,978	-	-	-
Debt Service	183,462	194,168	1,041,503	702,536	796,775
Cemetery Perpetual Care (Nonexpendable)	281,642	289,360	301,430	309,530	315,818
Other Purposes	212,522	172,576	7,862,333	58,194	142,610
Unrestricted	4,201,668	5,274,972	5,291,832	14,129,050	18,406,218
<b>Total Primary Government Net Assets</b>	<b><u>\$41,981,885</u></b>	<b><u>\$42,655,626</u></b>	<b><u>\$43,463,506</u></b>	<b><u>\$42,904,945</u></b>	<b><u>\$44,592,119</u></b>

**Note:** The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

**Schedule 2**

**CITY OF WAYNE, MICHIGAN  
CHANGES IN NET ASSETS  
LAST FIVE FISCAL YEARS  
(accrual basis of accounting)**

	Fiscal Year				
	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007
<b>Expenses</b>					
Governmental Activities					
General Government	\$ 1,399,549	\$ 1,395,603	\$ 1,459,656	\$ 1,620,206	\$ 1,784,943
District Court	669,849	629,354	631,444	696,509	734,204
Public Safety	5,856,445	5,919,479	6,482,067	7,170,258	7,191,088
Public Services	3,820,512	3,676,049	4,078,722	4,399,407	3,796,078
Community and Economic Development	-	-	-	-	84,557
Recreation and Culture	4,048,398	3,642,436	3,820,077	4,117,168	3,931,113
Other Functions	599,842	374,897	505,606	286,105	-
Interest on Long-Term Debt	845,226	1,050,208	1,024,253	986,641	950,719
Total Governmental Activities Expenses	<u>17,239,821</u>	<u>16,688,026</u>	<u>18,011,837</u>	<u>19,276,294</u>	<u>18,472,702</u>
Business-type Activities:					
Water and Sewer	6,133,472	5,997,764	6,560,553	6,746,928	7,887,619
Total Primary Government Expenses	<u>\$ 23,373,293</u>	<u>\$ 22,685,790</u>	<u>\$ 24,572,390</u>	<u>\$ 26,023,222</u>	<u>\$ 26,360,321</u>
<b>Program Revenues (see schedule 3)</b>					
Governmental Activities:					
Charges For Services	\$ 3,209,924	\$ 2,809,692	\$ 3,618,860	\$ 3,483,626	\$ 3,560,915
Operating Grants and Contributions	1,892,179	1,847,752	2,007,736	2,046,264	3,504,063
Capital Grants and Contributions	83,575	194,964	664,046	306,791	315,996
Total Governmental Activities Program Revenues	<u>5,185,678</u>	<u>4,852,408</u>	<u>6,290,642</u>	<u>5,836,681</u>	<u>7,380,974</u>
Business-type Activities:					
Charges For Services	6,020,010	6,374,149	6,585,127	6,678,626	7,176,085
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>6,020,010</u>	<u>6,374,149</u>	<u>6,585,127</u>	<u>6,678,626</u>	<u>7,176,085</u>
Total Primary Government Program Revenues	<u>\$ 11,205,688</u>	<u>\$ 11,226,557</u>	<u>\$ 12,875,769</u>	<u>\$ 12,515,307</u>	<u>\$ 14,557,059</u>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	\$(12,054,143)	\$(11,835,618)	\$(11,721,195)	\$(13,439,613)	\$(11,091,728)
Business-type Activities	(113,462)	376,385	24,574	(68,302)	(711,534)
Total Primary Government Net Expense	<u>\$(12,167,605)</u>	<u>\$(11,459,233)</u>	<u>\$(11,696,621)</u>	<u>\$(13,507,915)</u>	<u>\$(11,803,282)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities:					
Taxes					
Property taxes, levied for general purposes	\$ 6,500,583	\$ 6,762,001	\$ 7,440,643	\$ 7,892,987	\$ 7,900,632
Property taxes, levied for debt service	102,886	412,120	276	73	12
Property taxes, levied for refuse	955,559	984,205	998,728	1,067,776	1,107,497
Property taxes, levied for library	571,546	588,882	597,370	638,657	862,415
Cable Franchise Fee	164,352	170,606	175,338	173,446	187,844
Investment Earnings	194,901	161,454	230,104	534,470	816,207
Grants and Contributions not restricted to specific programs	2,463,988	2,325,070	2,242,568	2,213,555	2,191,590
Miscellaneous	390,724	577,845	469,557	123,227	109,737
Special Item-Gain on Sale of Land	275,933	125,570	165,214	-	-
Transfers	-	-	-	-	-
Total Governmental Activities	<u>11,620,450</u>	<u>12,107,553</u>	<u>12,319,798</u>	<u>12,644,193</u>	<u>12,975,734</u>
Business-type Activities:					
Investment Earnings	73,435	25,421	174,448	305,161	514,695
Total Primary Government	<u>\$ 11,693,865</u>	<u>\$ 12,132,974</u>	<u>\$ 12,494,246</u>	<u>\$ 12,949,354</u>	<u>\$ 13,490,429</u>
<b>Change In Net Assets</b>					
Governmental Activities	\$ (433,693)	\$ 271,935	\$ 598,603	\$ (795,420)	\$ 1,884,006
Business-type Activities	(40,027)	401,806	199,022	236,859	(196,839)
Total Primary Government	<u>\$ (473,720)</u>	<u>\$ 673,741</u>	<u>\$ 797,625</u>	<u>\$ (558,561)</u>	<u>\$ 1,687,167</u>

Schedule 3

**CITY OF WAYNE, MICHIGAN**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST FIVE FISCAL YEARS**  
**(accrual basis of accounting)**

Function/Program	Program Revenues				
	<u>6/30/2003</u>	<u>6/30/2004</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2007</u>
Governmental Activities					
General Government	\$ 189,691	\$ 224,151	\$ 532,747	\$ 202,334	\$ 402,241
District Court	507,607	457,277	566,651	596,535	688,739
Public Safety	1,151,495	847,165	1,037,315	950,692	1,034,209
Public Services	1,514,747	1,630,666	1,958,438	1,880,472	3,440,088
Community and Economic Development	-	-	-	-	84,661
Recreation and Culture	1,346,555	1,412,799	1,767,523	1,799,649	1,731,036
Other Functions	475,583	280,350	427,968	406,999	-
Subtotal Governmental Activities	<u>5,185,678</u>	<u>4,852,408</u>	<u>6,290,642</u>	<u>5,836,681</u>	<u>7,380,974</u>
Business-type Activities:					
Water and Sewer	6,020,010	6,374,149	6,585,127	6,678,626	7,176,085
Total Primary Government	<u>\$11,205,688</u>	<u>\$11,226,557</u>	<u>\$12,875,769</u>	<u>\$12,515,307</u>	<u>\$14,557,059</u>

Schedule 4

**CITY OF WAYNE, MICHIGAN  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	<u>Fiscal Year</u>			
	<u>6/30/1998</u>	<u>6/30/1999</u>	<u>6/30/2000</u>	<u>6/30/2001</u>
General Fund				
Reserved	\$ 138,127	\$ 84,216	\$ 117,059	\$ 372,327
Unreserved	1,086,715	1,349,684	1,178,140	888,220
Total General Fund	<u>\$ 1,224,842</u>	<u>\$ 1,433,900</u>	<u>\$ 1,295,199</u>	<u>\$ 1,260,547</u>
All Other Governmental Funds				
Reserved	\$ 455,923	\$ 487,055	\$ 506,649	\$ 510,581
Unreserved, Reported In:				
Major Street and Trunkline Fund	74,432	253,470	515,906	486,304
Local Street Fund	146,142	122,822	170,762	4,437
Building Authority Fund	-	24,890	-	1,493,532 ***
Special Revenue Funds	1,034,062	859,563	1,009,426	1,068,237
Capital Projects Funds	526,433	409,453	323,592	225,910
Total All Other Governmental Funds	<u>\$ 2,236,992</u>	<u>\$ 2,157,253</u>	<u>\$ 2,526,335</u>	<u>\$ 3,789,001</u>

**Note:**

\*For fiscal year 6/30/03 the unreserved fund balance increased to comply with Interpretation #6, "Recognition & Measurement of certain liabilities and expenditures in Governmental Fund Financial Statements" dated March 2000. Previously, the City of Wayne recorded compensated absences as a liability. With this Interpretation, the City of Wayne is now recording any compensated absence that is not used within the first sixty days after the fiscal year as a designated fund balance.

\*\*Based on clarification from the Government Finance Officers Association, upon implementation of Governmental Accounting Standards Board Statement #34, governmental funds should report a liability for accrued compensated absences only in connection with employees terminated as of the financial statement date.

\*\*\*Beginning in fiscal year 6/30/01, the City of Wayne bonded for the renovation and construction of a DPW Building, Fire Station and Police Station.

**Schedule 4**

**CITY OF WAYNE, MICHIGAN  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

<b>Fiscal Year</b>					
<b><u>6/30/2002</u></b>	<b><u>6/30/2003</u></b>	<b><u>6/30/2004</u></b>	<b><u>6/30/2005</u></b>	<b><u>6/30/2006</u></b>	<b><u>6/30/2007</u></b>
\$ 287,851	\$ 238,623	\$ 200,102	\$ 50,614	\$ 74,556	\$ 136,978
426,327	1,276,798 *	1,493,064	1,366,880	1,502,761	2,051,417 **
<u>\$ 714,178</u>	<u>\$ 1,515,421</u>	<u>\$ 1,693,166</u>	<u>\$ 1,417,494</u>	<u>\$ 1,577,317</u>	<u>\$ 2,188,395</u>
\$ 538,659	\$ 448,011	\$ 475,431	\$ 874,419	\$ 801,763	\$ 577,477
358,526	309,001	535,227	413,455	309,356	341,552
22,015	258,295	294,311	402,434	409,512	530,135
5,057,226	8,665,151	2,128,732	-	-	-
582,013	395,686	362,935	313,165	339,964	665,019
16,991	191,523	228,708	786,865	368,831	282,882
<u>\$ 6,575,430</u>	<u>\$10,267,667</u>	<u>\$ 4,025,344</u>	<u>\$ 2,790,338</u>	<u>\$ 2,229,426</u>	<u>\$ 2,397,065</u>



**Schedule 5**

**CITY OF WAYNE, MICHIGAN**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year			
	6/30/1998	6/30/1999	6/30/2000	6/30/2001
<b>Revenues</b>				
Taxes	\$ 6,994,583	\$ 7,455,396	\$ 7,454,674	\$ 7,570,819
Licenses and Permits	274,548	245,981	348,848	325,505
Intergovernmental	4,314,173	4,412,112	4,605,751	5,247,997
Special Assessments	94,421	83,526	59,721	53,704
Charges for Services	1,362,151	1,371,385	1,635,969	1,874,937
Fines and Forfeits	676,688	605,055	589,405	457,107
Interest and Rents	452,373	450,434	609,513	636,602
Other	3,981,308	3,796,733	4,001,133	4,438,873
Total Revenues	<u>18,150,245</u>	<u>18,420,622</u>	<u>19,305,014</u>	<u>20,605,544</u>
<b>Expenditures</b>				
General Government	1,798,283	1,873,684	1,963,230	2,185,473
District Court	575,425	632,846	658,220	726,848
Public Safety	5,736,068	6,227,098	6,147,276	6,594,542
Public Services	3,291,349	3,446,613	3,354,376	3,766,076
Community and Economic Development	-	-	-	-
Recreation and Culture	3,924,165	3,954,833	4,133,517	4,440,841
Other Functions	597,383	710,547	1,076,813	949,224
Capital Outlay	771,598	2,089,264	56,625	1,413,308
Debt Service				
Principal	405,000	520,000	535,000	580,000
Interest and Paying Agent Fees	498,523	469,820	545,962	482,562
Total Expenditures	<u>17,597,794</u>	<u>19,924,705</u>	<u>18,471,019</u>	<u>21,138,874</u>
Excess of Revenues over (under) Expenditures	552,451	(1,504,083)	833,995	(533,330)
<b>Other Financing Sources (Uses)</b>				
Financing Proceeds	81,785	1,800,000	913,363	1,477,815
Discount on Bond Proceeds	-	-	-	-
Transfers In	2,391,708	2,607,245	3,327,156	3,305,923
Transfers Out	(2,916,308)	(2,782,400)	(3,954,252)	(3,339,864)
Proceeds from Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>(442,815)</u>	<u>1,624,845</u>	<u>286,267</u>	<u>1,443,874</u>
Net Change In Fund Balances	<u>\$ 109,636</u>	<u>\$ 120,762</u>	<u>\$ 1,120,262</u>	<u>\$ 910,544</u>
Debt Service as a Percentage of Noncapital Expenditures	5.4%	5.5%	5.9%	5.4%

\*In Fiscal Year Ended June 30, 2007, the City of Wayne reclassified items reported as Other Functions to more specific categories, General Government, Public Services and Community and Economic Development, as prescribed by the Michigan Department of Treasury Uniform Chart of Accounts for Local Governments.

**Schedule 5**

**CITY OF WAYNE, MICHIGAN  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

Fiscal Year					
<u>6/30/2002</u>	<u>6/30/2003</u>	<u>6/30/2004</u>	<u>6/30/2005</u>	<u>6/30/2006</u>	<u>6/30/2007</u>
\$ 7,804,024	\$ 8,094,626	\$ 8,732,052	\$ 8,951,251	\$ 9,543,907	\$ 9,851,025
309,535	391,248	438,956	710,557	394,836	353,982
4,555,948	4,285,622	4,107,655	4,679,915	4,211,061	3,866,286
53,095	53,095	53,095	-	-	-
2,034,338	1,987,563	1,857,038	2,042,925	2,188,974	2,193,777
428,463	539,933	497,099	537,940	547,108	604,832
305,668	237,751	169,910	229,464	520,653	619,353
4,165,724	4,960,888	5,489,940	5,918,051	6,183,839	8,010,137
<u>19,656,795</u>	<u>20,550,726</u>	<u>21,345,745</u>	<u>23,070,103</u>	<u>23,590,378</u>	<u>25,499,392</u>
2,633,884	2,486,997	2,294,811	2,414,161	2,536,374	2,825,561
759,134	814,606	830,879	829,451	920,844	982,044
7,344,555	7,339,876	7,839,556	8,424,863	8,837,413	9,340,255
3,738,849	3,600,491	3,651,888	3,973,550	4,190,603	3,838,817
-	-	-	-	-	84,557
4,730,655	4,298,500	4,010,254	4,135,192	4,487,355	4,309,503
579,300	527,856	357,196	490,880	258,577	-
2,483,844	4,120,353	6,977,819	2,802,360	1,418,154	2,078,282
605,000	605,000	605,000	685,000	635,000	720,000
517,530	762,850	1,044,625	1,020,364	984,348	949,833
<u>23,392,751</u>	<u>24,556,529</u>	<u>27,612,028</u>	<u>24,775,821</u>	<u>24,268,668</u>	<u>25,128,852</u>
(3,735,956)	(4,005,803)	(6,266,283)	(1,705,718)	(678,290)	370,540
5,935,000	7,500,000	-	149,900	286,138	114,731
(88,928)	(71,325)	-	-	-	-
3,669,618	3,729,748	2,946,673	4,358,310	3,058,930	3,172,703
(3,539,674)	(3,404,596)	(3,055,330)	(4,458,310)	(3,178,608)	(3,222,703)
-	246,831	310,362	134,884	110,741	5,068
<u>5,976,016</u>	<u>8,000,658</u>	<u>201,705</u>	<u>184,784</u>	<u>277,201</u>	<u>69,799</u>
<u>\$ 2,240,060</u>	<u>\$ 3,994,855</u>	<u>\$ (6,064,578)</u>	<u>\$ (1,520,934)</u>	<u>\$ (401,089)</u>	<u>\$ 440,339</u>
5.4%	6.7%	8.0%	7.8%	7.1%	7.2%

**Schedule 6**

**CITY OF WAYNE, MICHIGAN  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<b><u>Fiscal Year</u></b>	<b><u>Residential Property</u></b>	<b><u>Commercial Property</u></b>	<b><u>Industrial Property</u></b>	<b><u>Personal Property</u></b>	<b><u>Total Assessed Value</u></b>
1998	181,244,174	47,623,310	71,878,310	97,280,930	398,026,724
1999	195,236,940	50,546,310	73,527,620	105,025,110	424,335,980
2000	214,547,280	52,064,210	76,028,310	103,512,300	446,152,100
2001	235,661,756	58,448,675	78,691,700	105,635,000	478,437,131
2002	261,875,005	70,310,070	80,432,930	128,045,000	540,663,005
2003	286,316,300	84,255,800	83,093,500	135,302,807	588,968,407
2004	311,415,916	82,146,200	93,761,000	161,009,300	648,332,416
2005	333,123,671	89,770,200	98,794,000	155,753,600	677,441,471
2006	350,856,196	95,827,400	99,889,200	180,042,200	726,614,996
2007	365,139,100	100,900,500	99,002,200	170,870,300	735,912,100

Source: Wayne County Equalization Report

Schedule 6

CITY OF WAYNE, MICHIGAN  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

<u>Less:</u> <u>Tax-Exempt</u> <u>Property</u>	<u>Total</u> <u>Taxable</u> <u>Value</u>	<u>Total</u> <u>Direct</u> <u>Tax</u> <u>Rate</u>	<u>Taxable</u> <u>Value as a</u> <u>Percentage of</u> <u>Actual Value</u>
11,986,167	386,040,557	19.7500	96.99%
21,403,687	402,932,293	19.7500	94.96%
34,385,138	411,766,962	19.7500	92.29%
51,482,184	426,954,947	19.7500	89.24%
75,720,412	464,942,593	19.3780	85.99%
97,076,242	491,892,165	19.3500	83.52%
110,430,703	537,901,713	19.8700	82.97%
124,432,953	553,008,518	19.8700	81.63%
128,863,361	597,751,635	19.8700	82.27%
131,805,533	604,106,567	19.8700	82.09%

Schedule 7

**CITY OF WAYNE MICHIGAN  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$1,000 OF ASSESSED VALUE)**

City of Wayne										
Fiscal Year	Operating	Retirement	CWCSA (1)	Debt Service	Refuse Disposal Act 298	Library (2)	Recreation (3)	1987 Road Program	Police	Total
								(4)	(5)	
1998	14.5300	0.9600	0.4600	0.4100	1.3900	1.0000	1.0000	--	--	19.7500
1999	14.5380	0.9620	0.4400	0.3900	1.4200	1.0000	1.0000	--	--	19.7500
2000	14.5380	0.9620	0.3720	0.3770	1.5010	1.0000	1.0000	--	--	19.7500
2001	14.5360	0.9620	0.3720	0.3837	1.4960	1.0000	1.0000	--	--	19.7497
2002	14.5360	0.9620	--	0.3837	1.4960	1.0000	1.0000	--	--	19.3777
2003	14.5370	0.9620	--	0.1800	1.6717	1.0000	1.0000	--	--	19.3507
2004	14.5365	0.9620	--	--	1.6717	0.9999	0.9999	--	0.7000	19.8700
2005	14.5365	0.9620	--	--	1.6717	0.9999	0.9999	--	0.7000	19.8700
2006	14.2365	0.9620	--	--	1.6717	0.9999	0.9999	--	1.0000	19.8700
2007	14.2365	0.9620	--	--	1.6717	0.9999	0.9999	--	1.0000	19.8700

Source: Wayne County Equalization Report

Notes:

(1) Central Wayne County Sanitation Authority. Expired after December 31, 2001.

(2) Library millage levied in accordance with Michigan Public Act 164.

(3) Voted one mill for Recreation.

(4) Voted 1.5000 mills for 1987 Road Millage. Expired after December 31, 1996.

(5) Millage passed July 1, 2002, for 25 years.

(6) Transit Authority millage passed on May 26, 1995, to partially fund public bus transportation.

Schedule 7

**CITY OF WAYNE MICHIGAN  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$1,000 OF ASSESSED VALUE)**

<u>Wayne Westland Community Schools</u>	<u>State Education Tax</u>	<u>Intermediate School and Special Education</u>	<u>Wayne County Community College</u>	<u>Huron- Clinton Metro Park Authority</u>	<u>Wayne County Transit Authority (6)</u>	<u>Wayne County</u>	<u>Total All Rates Non PRE</u>	<u>PRE 100% Tax Credit</u>	<u>Total All Rates PRE</u>
19.5200	6.0000	2.0000	1.2000	0.2300	0.3300	7.9400	56.9700	(18.0000)	38.9700
23.1400	6.0000	2.0000	1.1500	0.2300	0.3300	7.9400	60.5400	(18.0000)	42.5400
23.1400	6.0000	2.0000	1.0100	0.2200	0.3300	7.9100	60.3600	(18.0000)	42.3600
23.1400	6.0000	1.9800	1.0000	0.2200	0.3300	7.8500	60.2697	(18.0000)	42.2697
23.0000	6.0000	1.9700	2.5000	0.2200	0.3200	7.8500	61.2377	(18.0000)	43.2377
22.7000	6.0000	3.4600	2.4900	0.2200	0.6000	7.8200	62.6407	(18.0000)	44.6407
23.1300	5.0000	3.4643	2.4862	0.2161	0.5980	7.8220	62.5866	(18.0000)	44.5866
23.0922	6.0000	3.4643	2.4844	0.2154	0.5980	7.8220	63.5463	(18.0000)	45.5463
22.8422	6.0000	3.4643	2.4769	0.2146	0.5980	7.8220	63.2880	(18.0000)	45.2880
22.8322	6.0000	3.4643	2.4769	0.2146	0.5900	7.8220	63.2700	(18.0000)	45.2700

Schedule 8

**CITY OF WAYNE, MICHIGAN  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2007</u>			<u>1998</u>		
		<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Valuation</u>	<u>Taxable Valuation</u>	<u>Rank</u>	<u>Percentage of Total Taxable Valuation</u>
Ford Motor Company	Automobile and Truck Manufacturer	\$ 299,596,916	1	35.82%	\$ 219,738,980	1	43.30%
Russo Properties	Warehousing	5,911,960	2	0.71%	4,919,560	3	1.00%
Detroit Edison	Electric Utility	5,624,211	3	0.67%	5,732,674	2	1.10%
Metro Commerce Center	Warehousing	4,865,000	4	0.56%			
Ringmasters MFG	Steeled Rolled Ring Manufacturing	4,317,559	5	0.52%	3,530,052	5	0.70%
Westchester Towers Apts	Property Management	2,731,613	6	0.33%	2,445,410	7	0.50%
D.P. Service Corp	Residential Cooperative	2,418,186	7	0.29%			
Hayman Company	Apartment	2,082,132	8	0.25%			
Greyberry Apts of Wayne	Property Management	2,078,534	9	0.25%			
State of Michigan/ Tae-Keuk Village	Multi-Residential	1,950,787	10	0.23%			
Unistrut Corp	Manufacturing				4,993,817	4	1.00%
Associates Ltd Partnership	Warehousing				3,491,800	6	0.70%
Consumers Power	Utility				2,070,380	8	0.40%
Advanced Materials Co.	Metal Forming/ Hardening Manufacturer				1,679,135	10	0.30%
Westwicke Square	Residential Cooperative				1,884,781	9	0.40%
Sub-total		<u>\$ 331,376,898</u>		<u>39.62%</u>	<u>\$ 250,486,589</u>		<u>49.40%</u>
Grand Total		<u>\$ 836,361,873</u>			<u>\$ 506,976,085</u>		

Source: City of Wayne's assessment records.

Schedule 9

CITY OF WAYNE, MICHIGAN  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Fiscal Year	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	Percent Of Levy		Amount	Percent Of Levy
1998	\$ 7,618,510	\$ 7,327,710	96.2%	\$ 304,379	\$ 7,632,089	100.2%
1999	\$ 7,871,281	\$ 7,517,842	95.5%	\$ 299,309	\$ 7,817,151	99.3%
2000	\$ 8,141,269	\$ 7,816,741	96.0%	\$ 323,593	\$ 8,140,334	100.0%
2001	\$ 8,406,199	\$ 8,052,609	95.8%	\$ 288,967	\$ 8,341,576	99.2%
2002	\$ 8,987,871	\$ 8,584,191	95.5%	\$ 332,266	\$ 8,916,457	99.2%
2003	\$ 9,507,974	\$ 8,981,799	94.5%	\$ 433,193	\$ 9,414,992	99.0%
2004	\$ 10,743,808	\$ 10,239,046	95.3%	\$ 388,457	\$ 10,627,503	98.9%
2005	\$ 11,044,398	\$ 10,496,370	95.0%	\$ 508,247	\$ 11,004,617	99.6%
2006	\$ 11,832,859	\$ 11,261,119	95.2%	\$ 547,060	\$ 11,808,179	99.8%
2007	\$ 11,976,954	\$ 11,354,628	94.8%	\$ 621,753	\$ 11,976,381	100.0%



Schedule 10

**CITY OF WAYNE, MICHIGAN  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>		<u>Percentage of Personal Income</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>		<u>Capital Lease</u>	<u>Water Revenue Bonds</u>	<u>Total Primary Government</u>		
1998	\$8,625,000	\$ -	\$ -	4,000,708	12,625,708	0.2834%	634
1999	9,905,000	-	21,079	3,974,829	13,900,908	0.2574%	699
2000	9,370,000	858,466	17,688	3,849,829	14,095,983	0.3292%	740
2001	10,290,000	731,747	26,084	3,724,829	14,772,660	0.3141%	775
2002	15,620,000	827,616	26,113	3,560,000	20,033,729	0.2316%	1,052
2003	22,515,000	655,604	12,401	3,400,000	26,583,005	0.1745%	1,395
2004	21,910,000	482,466	6,441	3,380,000	25,778,907	0.1800%	1,353
2005	21,225,000	114,698	149,900	10,935,000	32,424,598	0.1431%	1,702
2006	20,590,000	342,851	119,746	10,610,000	31,662,597	0.1465%	1,662
2007	19,870,000	236,926	294,653	18,175,000	38,576,579	0.1203%	2,025

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 11

**CITY OF WAYNE, MICHIGAN  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b><u>Fiscal Year</u></b>	<b><u>General Obligation Bonds</u></b>	<b><u>Percentage of Actual Taxable Value of Property</u></b>	<b><u>Per Capita</u></b>
1998	8,625,000	2.23%	433.44
1999	9,905,000	2.46%	497.76
2000	9,370,000	2.28%	491.84
2001	10,290,000	2.41%	540.13
2002	15,620,000	3.36%	819.90
2003	22,515,000	4.58%	1,181.83
2004	21,910,000	4.07%	1,150.07
2005	21,225,000	3.84%	1,114.11
2006	20,590,000	3.44%	1,080.78
2007	19,870,000	3.29%	1,042.99

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

**Schedule 12**

**CITY OF WAYNE, MICHIGAN  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2007**

<b><u>Jurisdiction</u></b>	<b><u>Net Debt Outstanding</u></b>	<b><u>Percentage Debt Applicable To City</u></b>	<b><u>Estimated Share Of Overlapping Debt</u></b>
City of Wayne	\$ 38,045,000	100.00%	\$ 38,045,000
Central Wayne County Sanitation Authority	194,000	100.00%	194,000
Wayne Westland School District	84,765,000	22.56%	19,122,984
Wayne County	92,441,826	1.19%	1,100,058
Wayne County Community College	<u>50,100,000</u>	1.89%	<u>946,890</u>
	<u>\$ 265,545,826</u>		<u>\$ 59,408,932</u>

Source: Taxable Value data used to estimate applicable percentages provided by the Wayne County Equalization Department.

Debt outstanding data provided by Municipal Advisory Council of Michigan.

Schedule 13

**CITY OF WAYNE, MICHIGAN  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<u>1997</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Debt Limit	\$ 61,621,522	\$ 63,392,270	\$ 65,436,167	\$ 67,666,823
Total Net Debt Applicable to Limit	<u>8,398,400</u>	<u>9,693,520</u>	<u>9,139,260</u>	<u>8,741,428</u>
Legal Debt Margin	<u>\$ 53,223,122</u>	<u>\$ 53,698,750</u>	<u>\$ 56,296,907</u>	<u>\$ 58,925,395</u>
Total Net Debt Applicable To The Limit As a Percentage Of Debt Limit	13.63%	15.29%	13.97%	12.92%

Source: City records

Schedule 13

**CITY OF WAYNE, MICHIGAN  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 72,982,221	\$ 74,949,913	\$ 75,634,552	\$ 76,832,387	\$ 81,956,915	\$ 96,949,830
<u>14,656,128</u>	<u>21,614,588</u>	<u>21,102,963</u>	<u>21,225,000</u>	<u>20,590,000</u>	<u>19,870,000</u>
<u>\$ 58,326,093</u>	<u>\$ 53,335,325</u>	<u>\$ 54,531,589</u>	<u>\$ 55,607,387</u>	<u>\$ 61,366,915</u>	<u>\$ 77,079,830</u>
20.08%	28.84%	27.90%	27.63%	25.12%	20.50%
2006 State Equalized Valuation					\$ 735,912,100
Plus Assessed Value Equivalent					
2006 SEV of Act 198					<u>233,586,200</u>
Total Valuation					<u>\$ 969,498,300</u>
Debt Limit (10% of State Equalized Valuation)					\$ 96,949,830
Amount of Outstanding Debt					\$ 38,239,000
Less: Refuse Disposal Bonds					\$ 194,000
Water & Sewer General Obligation Bonds					<u>18,175,000</u>
					<u>(18,369,000)</u>
LEGAL DEBT MARGIN					<u>\$ 77,079,830</u>

Schedule 14

CITY OF WAYNE, MICHIGAN  
REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Expenses, Net Of Depreciation And Interest	Net Revenue Available For Debt Service	Total Debt Service Requirements			Debt Service Coverage
				Principal	Interest	Total	
1998	4,857,590	3,729,277	1,128,313	94,260	217,786	312,046	3.62
1999	5,034,177	4,278,950	755,227	169,260	199,128	368,388	2.05
2000	5,397,413	4,823,889	573,524	169,260	194,601	363,861	1.58
2001	5,355,109	4,917,395	437,714	169,260	189,441	358,701	1.22
2002	5,287,212	5,081,310	205,902	164,829	174,863	339,692	0.61
2003	6,020,010	5,304,423	715,587	160,000	169,079	329,079	2.17
2004	6,374,149	5,257,698	1,116,451	165,000	117,364	282,364	3.95
2005	6,585,127	5,478,441	1,106,686	195,000	428,729	623,729	1.77
2006	6,678,626	5,493,345	1,185,281	325,000	443,255	768,255	1.54
2007	7,176,085	6,635,899	540,186	340,000	435,507	775,507	0.70

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.  
Operating expenses do not include interest or depreciation.

Schedule 15

**CITY OF WAYNE, MICHIGAN  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b><u>Fiscal Year</u></b>	<b><u>Population</u></b>	<b><u>Personal Income</u></b>	<b><u>Per Capita Personal Income</u></b>	<b><u>Median Age</u></b>	<b><u>Unemployment Rate</u></b>
1998	19,899	35,777	N/A	32.2	3.7%
1999	19,899	35,777	N/A	32.2	3.9%
2000	19,051	46,397	21,326	34.7	3.2%
2001	19,051	46,397	21,326	34.7	3.8%
2002	19,051	46,397	21,326	34.7	5.1%
2003	19,051	46,397	21,326	34.7	6.0%
2004	19,051	46,397	21,326	34.7	6.3%
2005	19,051	46,397	21,326	34.7	6.7%
2006	19,051	46,397	21,326	34.7	6.2%
2007	19,051	46,397	21,326	34.7	6.3%

Sources: Population, Personal Income and Median Age from U.S. Census Bureau;  
Unemployment Rates from Michigan Department of Labor & Economic Growth.

Schedule 16

**CITY OF WAYNE, MICHIGAN  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

	<u>2007</u>			<u>1998 **</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Ford Motor Company	5,700	1	42.60%			
Wayne/Westland						
Community Schools	2,278	2	14.41%			
Annapolis Hospital	900	3	6.73%			
Rush Trucking	420	4	3.14%			
City of Wayne	337	5	2.52%			
Wayne County Regional Education						
Service Agency	220	6	1.64%			
Wayne Community Living Services	200	7	1.49%			
Great Lakes Waste	141	8	1.05%			
Unistrut Corporation	130	9	0.97%			
Jack Demmer Ford	125	10	0.93%			
Environmental Quality	63	11	0.47%			
Mark Chevrolet	59	12	0.44%			
Northside True Value Hardware	56	13	0.42%			
Wayne Industries	48	14	0.36%			
 Total City Employment*	 13,380					

\*Source: Southeast Michigan Council of Governments and the City of Wayne's Community Development Department.

\*\*Note: 1998 data not available; history will be built



Schedule 17

**CITY OF WAYNE, MICHIGAN  
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b><u>1998</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
<b><u>Full Time</u></b>										
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance	8.00	8.00	8.00	7.00	8.00	8.00	7.00	7.00	8.00	8.00
Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Personnel	1.75	1.75	1.75	1.75	1.75	2.25	2.50	2.50	1.50	1.50
MIS	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Development	3.00	4.00	4.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00
District Court	8.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Police	46.00	47.00	46.00	46.00	46.00	46.00	46.00	45.75	47.00	44.00
Communications/Radio	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00
Animal Shelter	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	10.00	1.00
Fire	21.00	22.00	22.00	21.00	23.00	21.00	20.00	21.50	22.00	22.00
Public Works	26.25	29.25	29.25	32.25	33.25	27.75	26.50	27.75	29.50	30.50
Building/Engineering	9.00	9.00	9.00	10.00	10.00	9.00	7.00	7.00	8.00	8.00
Public Housing	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Parks & Recreation	15.00	15.00	15.00	17.00	18.00	18.00	17.00	17.00	18.00	15.00
Library	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
<b>Subtotal Full Time</b>	<b>157.00</b>	<b>164.00</b>	<b>165.00</b>	<b>171.00</b>	<b>177.00</b>	<b>169.00</b>	<b>162.00</b>	<b>164.50</b>	<b>180.00</b>	<b>164.00</b>
<b><u>Part Time</u></b>										
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Finance	3.20	2.67	2.40	3.15	2.50	1.60	1.85	1.85	2.25	1.75
Clerk	1.20	1.20	1.20	1.20	1.20	0.60	0.00	0.25	0.50	0.00
Personnel	0.00	0.00	0.50	1.20	1.15	0.00	0.00	0.00	0.00	0.00
Community Development	1.80	1.30	0.50	0.50	0.00	0.25	0.00	0.00	0.50	0.00
District Court	1.60	0.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.43
Police	6.50	6.50	7.30	7.30	6.50	6.50	4.70	4.33	4.70	5.45
Fire	0.50	0.67	0.67	0.75	0.75	0.75	0.50	0.25	0.50	0.38
Public Works	7.40	8.20	8.20	6.00	5.65	3.25	2.19	2.94	3.36	1.74
Building/Engineering	3.60	2.97	3.25	1.93	2.15	1.23	1.10	2.32	3.64	3.08
Public Housing	1.30	1.30	1.60	0.80	0.80	0.80	0.75	0.75	0.75	1.50
Parks & Recreation	51.08	57.12	56.52	57.04	56.31	45.10	36.47	37.30	36.42	30.74
Library	9.30	8.64	7.64	7.74	8.24	7.17	7.31	6.92	6.77	6.29
Museum	1.13	0.50	0.80	0.50	0.50	0.20	0.20	0.15	0.25	0.25
<b>Subtotal Part Time</b>	<b>95.61</b>	<b>98.74</b>	<b>97.58</b>	<b>95.11</b>	<b>92.75</b>	<b>74.45</b>	<b>62.07</b>	<b>64.06</b>	<b>66.64</b>	<b>59.61</b>
<b>Total Full Time Equivalents</b>	<b>252.61</b>	<b>262.74</b>	<b>262.58</b>	<b>266.11</b>	<b>269.75</b>	<b>243.45</b>	<b>224.07</b>	<b>228.56</b>	<b>246.64</b>	<b>223.61</b>

Source: City of Wayne's annual budget

## Schedule 18

CITY OF WAYNE, MICHIGAN  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	FISCAL YEAR									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Building/Engineering										
Building Permits Issued	450	610	608	587	593	601	700	662	701	563
Police										
Arrests	2,701	2,601	2,233	1,957	2,146	2,309	1,975	2,125	2,092	1,678
Parking Violations	N/A	1,854	1,432	1,325	1,589	1,419	990	1,373	922	1,012
Traffic/Ord Violations	N/A	7,572	7,732	5,493	5,104	5,795	4,456	5,562	5,384	6,711
Fire										
Fires*	488	527	509	425	510	621	516	489	460	528
Rescues*	1,595	1,810	1,729	1,837	1,786	1,886	1,916	1,913	2,011	2,044
Refuse Collection										
Rubbish Collected (Tons)	8,796	7,994	8,043	6,531	6,490	7,993	6,478	8,678	7,267	7,884
Compost Collected (Tons)	1,654	1,256	1,206	810	823	1,372	1,041	1,350	1,228	748
Parks and Recreation										
Dance Program	N/A	N/A	N/A	N/A	N/A	N/A	150	196	200	200
Day Camp Program	N/A	N/A	N/A	N/A	N/A	N/A	110	78	96	79
Girl's Softball	N/A	N/A	N/A	N/A	N/A	N/A	105	115	96	67
Adult Softball	N/A	N/A	N/A	N/A	N/A	N/A	22 Teams	22 Teams	25 Teams	36 Teams
Open Skating	N/A	N/A	N/A	N/A	N/A	N/A	3,086	2,311	4,567	1,263
Room Rentals	N/A	N/A	N/A	N/A	N/A	N/A	338	297	321	392
Library										
Volumes in Collection	40,000	72,304	72,304	72,304	72,304	87,368	101,980	108,961	116,262	100,881
Public Works										
Signs Installed/Replaced	89	216	246	237	131	209	52	50	178	120
Catch Basins Cleaned	268	79	840	536	870	661	547	1,066	879	1,121
Water Leaks/Main Breaks	36	87	72	79	64	47	41	41	42	46
Fire Hydrant Repaired/Painted	71	91	423	82	134	140	321	203	673	366
Internments	72	48	55	60	50	54	21	41	43	48
Water Purchased (Gallons)	1,270,879	1,167,892	1,490,545	1,448,975	1,389,071	1,270,293	1,091,090	1,133,573	1,036,010	1,098,360

Source: Various City of Wayne Departments.

\*On a calendar year basis ending December 31.

Schedule 19

CITY OF WAYNE, MICHIGAN  
CAPITAL ASSET STATISTICS BY FUNCTION/DEPARTMENT  
LAST TEN FISCAL YEARS

<u>Department</u>	<u>FISCAL YEAR</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
City Manager										
Vehicles Assigned	1	1	1	1	1	1	1	1	1	1
Police Department										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles Assigned	N/A	N/A	N/A	22	26	27	27	27	27	25
Fire Department										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles Assigned	10	10	9	9	9	9	9	8	8	8
Public Works										
Number of Buildings	7	7	7	7	7	7	7	7	7	7
Vehicles Assigned	28	29	29	31	31	30	30	30	30	34
Miles of Major Streets	31.93	31.93	31.93	31.93	31.93	31.93	31.93	31.93	31.93	31.93
Miles of Local Streets	41.31	41.31	41.31	41.31	41.31	41.56	41.56	41.56	41.56	41.56
Water Mains (Miles)	73	73	73	73	73	85.92	85.92	85.92	85.92	85.92
Parks & Recreation										
Number of Parks	18	18	18	18	18	18	18	18	18	18
Acreage	134	134	134	134	134	134	134	134	134	134
Vehicles Assigned	N/A	N/A	N/A	N/A	N/A	N/A	14	14	14	14

Source: City of Wayne records.

**POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP**

*Certified Public Accountants*

Ronald H. Traskos, C.P.A.  
Kathy Billings, C.P.A., C.V.A.

4621 SOUTH WAYNE ROAD  
WAYNE, MICHIGAN 48184

TELEPHONE (734)722-9190  
FAX (734)722-2410

Sharon Walz Duckworth, C.P.A.  
Cari Ford, C.P.A.  
Wendy Leung Lee, C.P.A., C.V.A.

November 20, 2007

To the City Council  
City of Wayne  
3355 S. Wayne Road  
Wayne, MI 48184

To the Members of the City Council:

We have completed the audit report of the financial condition of the City of Wayne, Michigan, for the year ended June 30, 2007. We have no comments and recommendations as a result of our audit work.

Respectfully submitted,

*Post, Smythe, Lutz & Ziel of Wayne, LLP*

**POST, SMYTHE, LUTZ & ZIEL OF WAYNE, LLP**  
*Certified Public Accountants*